

CODE OF ETHICS

Approved by the Board of Directors of
OTO Melara SpA at its meeting on 22 June 2010

Available on the company's intranet://<http://intranet.otomelara.it>
and on its website: <http://www.otomelara.it>

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1 INTRODUCTION

1.1 *The company and the Group*

This Code (hereinafter the “Code of Ethics”) describes the obligations and ethical responsibilities for the conduct of business and corporate activities assumed by all parties that have dealings of any kind with OTO Melara SpA (hereinafter “OTO Melara” or the “Company”).

The principles and articles contained in this Code of Ethics are binding on all the following recipients:

- the members of the Board of Directors in setting objectives, deciding on activities, implementing projects, proposing investments and in any decision or action relating to the Company’s operations
- the members of the Board of Auditors in auditing and monitoring the formal and substantive probity of the Company’s activities and the operation of the internal control system
- the Chief Operating Officer, Directors and Senior Managers, in ensuring that the Company is managed effectively both in terms of its internal operations and its external relations
- employees and all partners with whom the Company has contractual relationships in any capacity, including of an occasional and/or temporary nature
- all persons who have commercial and/or financial dealings of any kind with the Company
- representatives of directly or indirectly-owned subsidiaries.

OTO Melara is part of the Finmeccanica Group, which is present in high-tech sectors (particularly aerospace, defence, electronics, IT, transport and energy), and which, by virtue of the size and importance of its activities, plays a significant role in regard to the market and to the economic development and technological and scientific advancement of the sectors in which it operates. OTO Melara’s objectives are pursued by all employees with fairness, diligence, honesty, efficiency and transparency and in full compliance with the legislation and regulations in force.

1.2 Relationships with stakeholders

OTO Melara's presence in the Italian and international markets, its operations in different fields and the huge number of interested parties makes the issue of managing relations between OTO Melara and its stakeholders of paramount importance. The term "stakeholders" is used here to mean all public and private entities (Italian and foreign), whether individuals, groups, companies or institutions, that have contact in any form with OTO Melara and/or have an interest in the activities that the Company undertakes. OTO Melara prides itself on its meticulous compliance with legislation (Italian and that of the countries in which the Company is active), market regulations and the principles of fair competition in the pursuit of its business.

1.3 Key principles

OTO Melara's guiding ethical principles are compliance with legislation, transparency, fair management, good faith, trust, and co-operation with stakeholders. These, in turn, inform its models of conduct, which enable it to compete effectively and fairly on the market, improve the satisfaction of its customers, add value for shareholders and enhance the skills and professional development of its human resources. Moreover, the belief that acting in a certain way will benefit the Company does not justify the adoption of conduct that conflicts with these principles. All recipients of this Code – without exception – are therefore required to comply with, and encourage compliance with, these principles in the conduct of their duties and responsibilities. This obligation also requires parties with whom the Company has dealings of any kind to act in accordance with the Code, following rules and methods in keeping with its values.

1.4 The Code of Ethics

OTO Melara considered it opportune to adopt and disseminate a Code of Ethics setting out the values that all recipients should uphold. Recipients accept that they are personally liable towards the Company and third parties for any breach of the responsibilities, structures, roles and regulations, even in cases where no corporate liability towards third parties is involved. A knowledge of, and

compliance with, the Code of Ethics by all persons that carry out work for OTO Melara are therefore key conditions for ensuring the transparency and reputation of the Company. OTO Melara also undertakes to issue the Code of Ethics to all parties with whom it has business dealings, and to obtain their commitment to familiarise themselves with said code and to comply with the rules contained therein.

The Code of Ethics constitutes a management tool in the internal control system for the ethical conduct of corporate business and is an effective component of the Company's strategy and organisation. It is also an integral part of the Organisation, Management and Control Model, together with the disciplinary system for breaches of the regulations set out therein, adopted by OTO Melara pursuant to arts. 6 and 7 of Legislative Decree 231 of 2001 and based on the code of conduct prepared by Confindustria pursuant to art. 6, para. 3 of the above-mentioned legislative decree.

Responsibility for implementing, applying and updating the Code of Ethics lies with the directors and employees of OTO Melara, who should notify the Supervisory Authority established pursuant to Legislative Decree 231/01 of any breaches or failure to apply its provisions. This authority may put forward proposals for additions or amendments to the contents, which will be submitted for examination by the Company's Board of Directors.

To this end, OTO Melara has established a Supervisory Authority to monitor the operation of, and compliance with, the Organisation, Management and Control Model, adopted to assist in the prevention of crimes, and this Code.

2 GENERAL PRINCIPLES

2.1 *Compliance with laws and regulations*

OTO Melara operates in full compliance with the laws and regulations in force in the countries in which it carries out its business, as well as with the principles established by the Code of Ethics and procedures laid down by specific protocols.

Moral integrity is a continuous duty for all recipients.

Recipients are therefore required, within the remit of their responsibilities, to familiarise themselves and comply with the legislation and regulations in force in all the countries in which the Company operates. This also includes awareness of, and compliance with, domestic and international competition regulations.

Recipients' dealings with authorities and public institutions must be conducted with the utmost propriety, transparency and co-operation, and in full compliance with laws and regulations, and their institutional functions.

2.2 *Models and rules of conduct*

All activities engaged in by recipients must be undertaken with professional commitment, moral rigour and fair management, not least to safeguard the Company's image.

The conduct and relationships of all recipients, both on and off the Company's premises, must be based on transparency, probity and mutual respect. In this regard, the conduct of directors and senior managers must, first and foremost, set an example to all the employees of OTO Melara, by showing their adherence to the principles of the Code of Ethics and to the Company's procedures and regulations in the exercise of their duties. They must also distribute the Code, procedures and regulations to employees and encourage them to seek clarification or suggest updates where necessary.

OTO Melara requires directors in particular to be proactive in proposing and implementing projects, investment programmes and industrial, commercial and management actions that help maintain and enhance the Company's financial, technological and professional asset base.

With regard to corporate decisions, OTO Melara further undertakes to provide an IT support system that enables departments, boards of directors and auditors, auditing firms, internal control bodies and supervisory bodies to conduct the most wide-ranging and efficient control activities possible.

The use of IT and telecommunications tools must be governed by the principles of probity, confidentiality of correspondence and data privacy to guarantee the integrity and reliability of the IT and telecommunications systems, and of the data handled, and to protect the interests of the Company and of third parties.

OTO Melara has adopted appropriate measures to ensure that IT and telecommunications data are accessed in compliance with existing legislation and respecting the privacy of any individuals involved. It is therefore able to guarantee the confidentiality of information and ensure that it is only handled by expressly authorised individuals and that all unlawful interference is prevented.

2.3 Dissemination of, and compliance with, the Code of Ethics

OTO Melara promotes awareness of, and compliance with, the Code of Ethics, and with the specific protocols and their updates, by all recipients. Any breaches of the Code are dealt with under appropriate disciplinary measures or contractual penalties. Recipients are therefore required to familiarise themselves with the contents of the Code of Ethics – obtaining any necessary clarification on the interpretation of the contents from the relevant corporate departments – comply with them and assist in implementing and updating them. To this end, they are required to report any omissions or breaches (or attempted breaches) that come to their attention.

OTO Melara also encourages employees to assist in ensuring that others are familiar with, implement and comply with the Code of Ethics and, within the limits of their competences and duties, the specific protocols.

To this end, the Company runs specific training/information programmes for employees, based on the different requirements and responsibilities of various users.

2.4 Corporate governance



OTO Melara has adopted a corporate governance system that complies with legal requirements and best international practice.

This system is designed to maximise value for customers and shareholders, monitor corporate risks and ensure market transparency.

3 HUMAN RESOURCES AND EMPLOYMENT POLICY

3.1 *Pre-requisites*

Human resources are vital to a company's existence and a key factor in enabling it to compete successfully on the market. Honesty, loyalty, skills, professionalism, diligence, technical preparation and the dedication of its staff are some of the pre-requisites that enable the Company to achieve its objectives. They are also the qualities that OTO Melara demands of its directors, auditors, employees and contractors in their various capacities.

OTO Melara strives to eliminate all types of discrimination, corruption, exploitation of forced or child labour and, more generally, to promote the dignity, health, freedom and equality of its employees in compliance with the UN's Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organisation (ILO) and the OECD Guidelines.

3.2 *Selection policies*

In order to contribute to the development of the Company's objectives and ensure that such objectives are pursued by all employees in compliance with OTO Melara's ethical principles and values, corporate policy aims to select all employees and contractors in their various capacities in accordance with the above-mentioned values and qualities. OTO Melara therefore offers equal employment opportunities and guarantees fair treatment based on individuals' skills and expertise. The selection procedure is carried out in compliance with the principle of equal opportunities and with no discrimination on the grounds of candidates' private lives or opinions. OTO Melara works to ensure that the recruitment of new employees corresponds to the profiles needed to fulfil corporate requirements. It avoids all forms of favouritism and nepotism, and bases its selection exclusively on criteria relating to the professional requirements of the role and candidates' skills.

OTO Melara employees are recruited under a regular employment contract in compliance with laws, collective employment contracts and existing regulations. Specifically, OTO Melara does not permit or tolerate the establishment of working relationships – including by external consultants, suppliers or

commercial partners – that breach existing legislation on the employment of children, women or immigrants.

3.3 *Career development*

As part of the employment relationship, OTO Melara undertakes to create the right conditions for each employee to further enhance his or her skills and expertise in compliance with these values. It follows a policy based on merit and equal opportunities, and provides specific programmes for employees to keep their professional skills up-to-date or acquire new competencies. Employees are therefore required to improve and strive to obtain new competencies, skills and expertise, while senior managers and heads of department must focus their efforts on enhancing and developing the professionalism of their employees by putting in place the conditions in which they can develop their skills and realise their full potential.

In the same vein as the selection procedure, personnel management must be conducted according to the principles of fairness and impartiality. It must be free from favouritism and discrimination, and respect the professionalism and expertise of staff.

Employees must therefore carry out their work in pursuit of corporate objectives in the knowledge that ethical conduct is of primary importance to OTO Melara, and that conduct that conflicts with laws, existing regulations, the Organisation, Management and Control Model or this Code of Ethics – even if, theoretically, it may seem beneficial to the Company or Group – will not be tolerated.

3.4 *Human resources and the Code of Ethics*

OTO Melara has specific departments and dedicated resources through which it promotes, on an ongoing basis, familiarity with the Code of Ethics, the attached protocols and related updates, as well as with the areas of activity of the various departments, delegated levels of responsibility, reporting lines, job descriptions and employee training. To ensure familiarity with the Code of Ethics and its specific protocols, the Company circulates, in the first instance, relevant documentation to all employees and contractors, in their various capacities, who are required, on receipt of the information on the Code of Ethics, to sign in acknowledgement of the documentation received. Secondly, OTO Melara offers

its employees and contractors, in all capacities and at all levels, specific training and update programmes on the Code of Ethics and associated protocols. These are organised by the relevant departments. The Company's employees may therefore ask their line managers at any time for advice and clarification on the contents of the Code of Ethics and associated protocols, or on their duties in this regard. Whenever a new employment relationship and/or partnership is created, the Company will provide, on a timely basis, the information necessary for employees to gain sufficient knowledge of the Code of Ethics and protocols, with specific reference to the sections relating to their areas of expertise.

3.5 Working environment and data protection

OTO Melara undertakes to create a working environment in which all recipients, particularly the Company's employees and contractors in any capacity and at all levels, can work in conditions that promote health, safety and human dignity and in which individual differences do not give rise to discrimination or coercion. Pursuant to existing provisions, including *in primis* Legislative Decree 81 of 2008, and all other relevant legislation, OTO Melara undertakes to safeguard the health of employees, bringing to bear all the necessary and appropriate measures, such as the best technical and scientific expertise, in order to ensure that workplaces conform to the highest standards of health and safety. OTO Melara also creates and promotes a culture of safety intended to protect the health of employees at work. It aims to raise awareness of risks and encourage responsible behaviour by all employees and/or contractors.

In full compliance with the Data Protection Code and legislation intended to safeguard the privacy of all recipients, and more generally, all those who have contact with the Company in any capacity, OTO Melara has adopted appropriate regulations that specifically prohibit unlawful communication and/or the disclosure of personal information without the prior consent of the individual concerned.

Specifically, the dignity of employees must not be compromised, not least by protecting their privacy in the areas of correspondence and interpersonal relationships between employees. To this end the Company prohibits any interference in meetings and conversations, as well as any intervention or forms of control that could harm mental wellbeing.

OTO Melara undertakes to protect the moral integrity of all employees and/or contractors, ensuring that they have the right to work in conditions that respect human dignity and where they can fully exercise their right to engage in trade union or political activity. OTO Melara protects its employees from acts of psychological violence or bullying and does not tolerate any attitude or conduct that is discriminatory or harmful to the individual, his beliefs or preferences. All forms of harassment in working relationships are expressly prohibited. In more general terms, any behaviour likely to prevent an employee from carrying out his assigned duties undisturbed is also considered harmful to the dignity of the employee and is thus prohibited.

OTO Melara has also adopted appropriate measures and initiatives intended to ensure the safety, integrity, proper use and operation of the IT or telecoms systems, programmes and data that belong to the Company or to third parties. It also safeguards the intellectual property rights relating to the use of IT and telecoms programmes and data, and the integrity of the information provided to the public via the internet.

4 CONFLICTS OF INTEREST

4.1 *Corporate and individual interests*

Within the relationship of complete trust that exists between OTO Melara and its directors and employees at all levels, it is the primary duty of employees to use the Company's assets well and work diligently in the Company's interests, in compliance with the principles set out in the Code of Ethics, which represent the values that OTO Melara has adopted. In this context, OTO Melara's directors, employees and contractors, in their various capacities, must avoid any situation and refrain from any activity that could lead to a conflict between a personal interest – whether direct or indirect – and the interests of the Company or that could interfere with, or hinder his or her capacity to make decisions in the interests of the Company in an impartial and objective manner. Conflicts of interest not only breach legislation and the principles of the Code of Ethics but are prejudicial to the image and integrity of the Company.

Recipients must not, therefore, in any way exploit their position in situations where their personal or domestic financial interests overlap or intersect with the duties they carry out in the Company.

Any actual or potential conflicts of interest must be promptly reported in detail to the Company – in the person of the employee's line manager or, if necessary, to the Supervisory Authority created pursuant to Legislative Decree 231/01. Employees that find themselves in a situation where a conflict of interest could arise must refrain from carrying out, or taking part in, actions that could be prejudicial to the Company or to third parties, or compromise the Company's image.

Similarly, consultants and commercial partners must undertake specific commitments to avoid conflicts of interest and refrain from exploiting the activity undertaken on behalf of the Company, in any way whatsoever, to obtain undue benefit for themselves or others.

4.2 *Prevention of conflicts of interest*

In order to prevent actual or potential conflicts of interest, OTO Melara requires its directors, employees and contractors, in any capacity, at the time they are offered the role or at the start of their employment relationship, to sign a specific declaration that they have no interests that might result in a conflict of interest. They are also required to state that they will promptly inform the Company – in the person of their line manager – if they should find themselves in situations in which an actual or potential conflict of interest could arise. Moreover, OTO Melara requires that anyone who discovers situations involving a conflict of interest should promptly notify the Supervisory Authority created pursuant to Legislative Decree 231/01 via the appropriate channels (odv@otomelara.it and codice.etico@otomelara.it).

5 OPERATING PROCEDURES AND ACCOUNTING DATA

5.1 *Specific protocols*

Specific protocols intended to prevent prejudicial events and the potential negative impact on the Company arising therefrom, based on the Code of Ethics, are prepared, integrated and amended as necessary following analysis of the corporate environment to identify risks to the Company and assess the existing control system and its effectiveness.

Specific protocols must be adopted by all those who are involved in the operational process, in any capacity, in accordance with the terms and procedures specifically laid down by the relevant authorities in OTO Melara. The correct implementation of such protocols ensures that the individuals in the Company responsible for the processes of decision-making, authorisation and conduct of operations may be identified. To this end, in accordance with the audit principle of “separation of duties”, the various stages of individual operations are carried out by different people, whose competencies are clearly defined and known in the organisation, in order to avoid unlimited and/or excessive powers being granted to particular individuals.

There must also be an audit trail for each process relating to the Company’s activities so that the reasoning behind operating decisions, the individuals responsible and any other relevant fact, can always be reconstructed after the event in order to assess the propriety of such operating decisions.

5.2 *Compliance with procedures*

Recipients are required, within the limits of their respective competences and duties, to strictly comply with the procedures contained in the protocols. Specifically, corporate procedures should govern the way in which each operation or transaction is carried out so that is possible to determine its legitimacy, authorisation, consistency, appropriateness, proper recording and the existence of an audit trail, including as regards the proper use of financial resources, by means of the following non-exhaustive list of control elements: reconciliations, joint signatures, supporting accounting documentation, further examination of the work of commercial agents, consultants, suppliers, etc.). Each operation must therefore be supported by appropriate, clear and full

documentation to be stored with the files such that it may, at any time, be audited with regard to the reasons for, and characteristics of, the operation and the exact identification of the individuals involved in its various stages of authorisation, implementation, recording and monitoring. Compliance with the instructions in the specific protocols on the procedures to be followed in creating, deciding on and recording corporate events and their related effects, enables the Company, *inter alia*, to disseminate and encourage a control culture at all levels. This constitutes a support tool for management and helps improve operational efficiency.

Any breaches of the procedures in the specific protocols and of the Code of Ethics, which must be notified without delay to the Supervisory Authority, compromises the relationship of trust that exists between OTO Melara and those who have dealings with the Company in any capacity.

5.3 Accounting transparency

Truthfulness, accuracy, completeness and clarity of basic information are the pre-requisites for a transparent accounting system and constitute a fundamental value for OTO Melara, not least to provide shareholders and third parties with a clear picture of the Company's assets, financial position and operating performance.

To ensure that the Company complies with this value, it is important that, in the first instance, all documentation relating to the basic facts to be recorded in the accounts is complete, clear, true, accurate and applicable, and is filed with the records such that it is available to be audited, as required. The associated recording in the accounts must reflect the information contained in the supporting documentation in a complete, clear, true, accurate and applicable manner. Items on the balance sheet or income statement that are based on valuations must be recorded according to the criteria of reasonableness and appropriateness, and use relevant documentation to clearly illustrate the criteria that determined the value of the asset.

If anyone becomes aware of any omissions, falsifications or irregularities in the maintenance of the accounts or basic documentation, or of any breaches of the principles established by the Code of Ethics and the specific protocols, he/she

must report them promptly to the Supervisory Authority created pursuant to Legislative Decree 231/01.

Such breaches damage the relationship of trust with the Company and shall be subject to appropriate disciplinary measures.

Within the limits established by law, OTO Melara provides the information, explanations, figures and documents required by shareholders, clients, suppliers, supervisory authorities, institutions or bodies in the course of their duties in a timely manner and in full. All relevant information must be communicated quickly to the boards appointed to oversee the running of the Company and the supervisory authorities.

6 PROTECTION OF THE COMPANY'S ASSETS

6.1 *Safeguarding and managing resources*

OTO Melara ensures that the use of available resources – carried out in accordance with applicable legislation, the Company's articles of association and the principles of the Code of Ethics – is such as to guarantee, increase and strengthen the Company's assets, thereby protecting the Company, its shareholders, creditors and the market.

Company assets must therefore be used in accordance with the law and applicable regulations, and in line with operating procedures.

6.2 *Unlawful transactions involving shares or capital*

To protect the integrity of the Company's assets, it is not permitted, except in cases where it is expressly sanctioned by law, to return transferred funds in any form or to release shareholders from the obligation to execute such transfers; to distribute profit that has not actually been realised or that must by law be allocated to reserves, or reserves that must not be distributed by law; to purchase or subscribe for shares in the Company or parent companies; to perform share capital reductions, mergers or de-mergers that violate creditor protection regulations; to falsely constitute or increase the share capital; and, in the event of liquidation, to satisfy the claims of shareholders to the detriment of the Company's creditors.

To prevent the above offences, OTO Melara, as part of its corporate organisation, undertakes to disseminate and raise awareness of legal provisions, the Code of Ethics and the associated protocols, putting in place specific mechanisms to inform and update directors and employees on corporate crime.

7 DEALINGS WITH GROUP COMPANIES

7.1 *Autonomy and shared ethical values*

OTO Melara avoids actions that, undertaken in the sole interest of the Company, have a detrimental impact on the integrity and image of other Group companies. Similarly, OTO Melara requests that other Group companies avoid actions and decisions that, while they result in benefits for the Group company in question, could have a detrimental impact on the integrity and image of OTO Melara.

OTO Melara undertakes to contribute honestly to achieving the Group's objectives, in full compliance with the law and applicable regulations.

7.2 *Co-operation, communication and transactions between Group companies*

OTO Melara promotes communication between OTO Melara and the other companies in the Finmeccanica Group, seeking out and taking advantage of intragroup synergies in the interest of shared objectives. The information circulated by OTO Melara, particularly for the purposes of preparing the Group's consolidated financial statements and other communications, must comply with the principles of truthfulness, honesty, accuracy, completeness, clarity, transparency and suitability, and must respect the autonomy of each company and the different business areas.

Any contractual relationships between Group companies must be duly formalised and must comply with the principles of probity, effectiveness and protection of each party's interests, with a particular emphasis on the circulation of funds.

8 SUPERVISORY AUTHORITY

8.1 *Responsibilities and characteristics*

The Board of Directors has allocated the task of monitoring the workings of and compliance with the Organisation, Management and Control Model adopted by the Company pursuant to Legislative Decree 231/01, as subsequently amended, and the Code of Ethics, which forms an integral part of the Model, to the Supervisory Authority, which has autonomous powers to act and supervise. The Supervisory Authority acts with impartiality, authority, consistency, professionalism and autonomy, and to this end enjoys full access to all sources of information at OTO Melara. It is authorised to read documents and check figures, and can suggest amendments to the Code of Ethics and the specific protocols, including on the basis of information provided by employees. The Supervisory Authority can carry out regular and unscheduled checks on the workings of and compliance with the Model, and it has sufficient staff and materials at its disposal to allow it to act quickly and efficiently. The Supervisory Authority acts entirely at its own discretion and enjoys the full support of the Company's senior management, with which it co-operates while maintaining complete independence.

8.2 *Reporting to the Supervisory Authority*

To facilitate the flow of reports and information to the Supervisory Authority, two dedicated channels of information have been set up (odv@otomelara.it and codice.etico@otomelara.it) to allow anyone with information regarding unlawful conduct to inform the Supervisory Authority freely, directly and in confidence. Reports can also be submitted by sending a letter to Organismo di Vigilanza ex D.lgs. 231/01, OTO Melara SpA, Via Valdilocchi, 15, 19136 La Spezia, Italy or to PO Box 190 at the central post office in La Spezia at the following address: Casella Postale n. 190, Ufficio Postale di La Spezia Sede Centrale. The Supervisory Authority is responsible for checking the information received in order to assess whether disciplinary measures should be taken or whether the process of terminating employment should be initiated once the investigations are complete.

In this regard, the Supervisory Authority is responsible for monitoring the effectiveness of the appropriate contractual clauses and evaluating the suitability of the initiatives put in place by the relevant company departments.

9 EXTERNAL RELATIONS

9.1 Dealings with authorities, public institutions and other organisations representing collective interests

9.1.1 DEALINGS WITH AUTHORITIES AND PUBLIC INSTITUTIONS

The Company's dealings with public officials or public sector representatives – working on behalf of central or local public administrative bodies, legislative bodies, EU institutions, international public organisations or foreign states – or with legal authorities, public supervisory authorities, other independent authorities and private partners working on behalf of a public service, must take place in full and rigorous compliance with applicable laws and regulations, the principles of the Code of Ethics and the specific protocols, in order not to compromise the integrity and reputation of either party.

Dealings with the parties indicated above must always be handled with due care and attention, particularly when these relate to tenders, contracts, authorisations, licences, concessions, requests for and/or the management and use of national or EU public funding in any form, order management, dealings with supervisory or other independent authorities, social security organisations, tax collection agencies, bodies handling bankruptcy proceedings or civil, criminal or administrative proceedings, etc. In order to avoid actions that breach legal regulations or are detrimental to the image and integrity of the Company, the above-mentioned dealings and the proper management of financial resources must be performed by the authorised company departments in full compliance with the law, the principles of the Code of Ethics and the specific protocols.

9.1.2 DEALINGS WITH POLITICAL ORGANISATIONS AND TRADE UNIONS

OTO Melara does not directly or indirectly favour or discriminate against any political organisation or trade union. The Company does not make any direct or indirect contributions, in any form, to political or trade union parties, movements, committees or organisations, or to their representatives and candidates, with the exception of those provided for under specific legal provisions.

However, this does not apply to social initiatives, which OTO Melara regards as part of its core values. To this end it plays an active and sensitive role in joint projects with organisations in the social arena.

9.1.3 GIFTS, BENEFITS AND PROMISES OF FAVOURS

OTO Melara forbids all recipients from improperly accepting, offering or promising, even indirectly, money, gifts, goods, services, benefits or favours in relation to dealings with public officials, public service representatives or private individuals with the aim of influencing their decisions and thereby to obtain favourable treatment, unlawful benefits or for any other purpose.

Any requests for or offers of money or favours of any kind (including gifts of significant value) made improperly to or by individuals operating on behalf of OTO Melara in dealings with Italian or foreign public administrative bodies or Italian or foreign private individuals must immediately be brought to the attention of the Supervisory Authority and the relevant company department in order that appropriate measures may be taken.

In its dealings with Italian or foreign public administrative bodies, OTO Melara undertakes not to exercise improper influence over the activities, choices or decisions of its counterparty by, for example, offering an undue advantage in the form of sums of money or other benefits, employment opportunities or the possibility of providing consultancy services etc. for public officials, their relatives or natural or legal persons connected with them. Any requests for or offers of money or favours of any kind (including gifts of significant value) made improperly to or by individuals operating on behalf of OTO Melara in dealings with Italian or foreign public administrative bodies or Italian or foreign private individuals must immediately be brought to the attention of the Supervisory Authority and the relevant company departments in order that appropriate measures may be taken.

In the event of requests of any kind made by legal authorities and, more generally, any contact with said legal authorities, OTO Melara undertakes to cooperate fully and refrain from any behaviour that could be obstructive or prejudicial, in full compliance with applicable laws and regulations and in accordance with the principles of honesty, probity and transparency.

9.2 Dealings with clients, consultants, suppliers, contractual counterparties, commercial and/or financial partners, etc.

9.2.1 CONDUCT OF BUSINESS

In its business dealings, OTO Melara operates in accordance with the principles of honesty, probity, transparency, efficiency, compliance with the law and the values expressed in the Code of Ethics, and openness to the market. The Company also demands the same conduct from those with which it has commercial and/or financial dealings of any kind, and to that end selects its contractual counterparties, suppliers, commercial partners, consultants, etc with care.

OTO Melara does not have dealings of any kind, either indirectly or through intermediaries, with natural or legal persons that are known to belong or suspected of belonging to a criminal organisation of any kind, including those associated with the mafia, human trafficking and child labour, or terrorist groups or organisations, or with persons known to act or suspected of acting on behalf of such organisations. Terrorism is understood to mean conduct that could cause serious damage to a country or an international institution with the aim of intimidating the population, forcing public authorities or an international institution to carry out or refrain from carrying out any act, or destabilising or destroying a country or international institution's fundamental political, constitutional, economic and social structures.

Particular care must also be taken in dealings involving the receipt or transfer of sums of money or other benefits. To avoid the risk of carrying out, even involuntarily or unwittingly, transactions of any kind involving money, goods or other benefits that are the proceeds of crime, OTO Melara does not accept, in any form, payments in cash or in bearer bonds or payments made via unauthorised intermediaries or through the intervention of third parties in such a way that it is impossible to identify the originator of the payment. The Company also does not deal with parties based in, or in any case operating in, countries that do not guarantee corporate transparency and, more generally, does not carry out transactions designed to prevent cash flows from being traced.

In its dealings with external parties, OTO Melara refrains from behaviour that could in any way compromise the integrity, reliability and security of IT and telecommunications systems and data.

The selection of contractual counterparties, commercial and financial partners, consultants and suppliers of goods and services must be made in writing on the basis of objective, transparent and documented assessment criteria, in accordance with the principles of this Code of Ethics and the procedures set out in the specific protocols and in line with the Group's reporting structure. In any event, the selection must be based solely on objective criteria such as quality, suitability, price, professionalism, competence and efficiency, and there must be sufficient guarantees regarding the probity of the supplier, service provider or consultant. In particular, OTO Melara undertakes not to have dealings of any kind with parties that are known to use or are suspected of using child labour or employees without proper work permits, or that operate in breach of the laws and regulations on protecting workers' rights. Particular care must be taken when dealing with parties operating in countries that do not have legislation in place to ensure sufficient protection of workers' rights, especially those of minors, women and immigrants, and it should be ascertained that appropriate hygiene, health and safety measures are in place.

When executing commercial transactions, particular vigilance is required when receiving or transferring sums of money, goods and other benefits, in line with the instructions set out in the specific protocols. In any case, payment in cash is not permitted.

Agents, consultants and/or intermediaries must report back regularly to the Company on the proper performance of the duties and responsibilities assigned to them.

The Company reserves the right to conduct audits to verify compliance with contractual obligations.

9.2.2 GIFTS, DONATIONS OF MONEY AND BENEFITS

In business dealings with consultants, clients and suppliers, etc., gifts, donations of money, direct and indirect benefits and acts of courtesy and

hospitality are forbidden, except when their nature and value is such that they will not compromise the Company's image and they cannot be interpreted as an attempt to gain favourable treatment. In all cases, any gifts or acts of courtesy and hospitality must be reported to and approved by the person appointed for this purpose.

A director, auditor or employee who receives gifts that exceed the normal limits of courtesy, given with the aim of obtaining favourable treatment in relation to any company activity, must immediately inform the Board of Directors, the Board of Auditors or, in the case of the employee, his line manager, who will then immediately report this to the relevant bodies and/or the company department responsible. Once the report has been verified, the donor will be informed of the Company's policies on this matter by the external relations department.

9.2.3 PROTECTION OF THE ENVIRONMENT

OTO Melara recognises that the environment is a primary good that must be preserved, and therefore plans its activities in such a way as to strike a balance between financial initiatives and the vital need to protect the environment. Finmeccanica takes steps to limit the impact of its activities on the environment, and keeps abreast of developments in scientific research in this area.

10 CORPORATE REPORTING

10.1 Availability of and access to information

Within the limits established by law, OTO Melara provides the information, explanations, figures and documents required by shareholders, clients, suppliers, public supervisory authorities, institutions, bodies, agencies and other stakeholders in the course of their duties in a timely manner and in full.

All relevant company information must be communicated quickly to the boards appointed to oversee the running of the company and the supervisory authorities.

Among other things, clear and comprehensive corporate reporting ensures the probity of relationships with shareholders, who must by law have easy access to information; with third parties that come into contact with the Company and need to have an overview of its financial situation; with the supervisory authorities and the internal audit and control bodies, which need to carry out their control activities effectively in order to protect not just shareholders but the entire market; and with other Group companies, including for the preparation of the consolidated financial statements and other examples of corporate communication.

10.2 Reporting of significant events

Through the means and functions indicated in the specific protocols, OTO Melara guarantees access to information and transparency regarding decisions to all those interested in finding out more about the Company's affairs and the outlook for its financial situation. With particular reference to the Company's shareholder Finmeccanica, any significant occurrences or events relating to the Company's activities or the outlook for the business must be communicated quickly.

Particular care and attention must be paid to the dissemination of significant information for the existence of the Company that could have a material impact on the performance of the business and on its credibility and reliability as perceived by other companies and/or banks. In this regard, specific protocols must contain verification and control mechanisms to ensure that corporate disclosure required by law and information for shareholders and the general

public on the Company's current position and the outlook for its financial situation is always truthful, contains no omissions and sets out facts that are accurate, even if estimated, such that the recipients of the information are not misled.

11 MEDIA RELATIONS AND INFORMATION MANAGEMENT

11.1 Rules of conduct

Relations with the press, media and, more generally, external parties must only be handled by parties specifically delegated to do so, in accordance with the procedures and regulations adopted by the Company. OTO Melara staff must inform the company's external relations departments of any requests made by the press or the media for news, rather than undertaking to respond to such requests.

Communication with external parties must follow the guiding principles of honesty, accuracy, transparency and appropriateness, and geared towards raising awareness of corporate policies and the Company's plans and initiatives. Media relations must be bound by compliance with the law, the Code of Ethics, the relevant protocols and the principles set out above in relation to dealings with public institutions, and the objective of protecting the Company's image.

11.2 Price sensitive information

It is strictly forbidden to carry out any form of investment, directly or via an intermediary, that originates from confidential corporate information, privileged information or information not in the public domain acquired when working for the Group and which could, if it became public, influence the price of financial instruments. It is also forbidden to communicate or disseminate this information in any way that does not fall within the normal performance of the duties assigned.

11.3 Duty of confidentiality

Given the specific nature and importance of the business areas in which the Company operates, recipients are required to maintain the utmost confidentiality – and therefore must not improperly divulge or request information – in relation to documents, know how, research projects, company operations and, more generally, all information acquired during the course of their work. Specifically, confidential or secret information is information that is subject to particular laws or regulations because it pertains to areas such as national security, military

sectors, inventions, scientific discoveries, protected technologies or new industrial applications, and information subject to contractual secrecy. Confidential information also covers all information acquired in the course of employees' duties, or information that if disseminated or used while carrying out such duties, could result in a threat or damage to the Company and/or an undue advantage for the employee. Any breach of the duty of confidentiality by a recipient seriously compromises the relationship of trust between the employee and the Company and may result in the application of disciplinary or contractual penalties in relation to the breach of the duty of confidentiality and the Code of Ethics.

12 BREACHES OF THE CODE OF ETHICS – DISCIPLINARY SYSTEM

12.1 Reporting breaches

In relation to reports of actual or attempted breaches of the Code of Ethics and the associated protocols, or attempts to induce another person to breach said Code and protocols, it is the Company's responsibility to ensure that no one faces reprisals, coercion, hardship or discrimination of any kind in the working environment as a result of reporting a breach of the contents of the Code of Ethics or the procedures set out in the specific protocols to the Supervisory Authority. Furthermore, following a report the Company will quickly carry out the necessary investigations and apply suitable disciplinary measures.

12.2 Disciplinary system

12.2.1 GENERAL PRINCIPLES

Any breach of the principles established by the Code of Ethics and the procedures set out in the internal protocols compromises the relationship of trust between OTO Melara and the recipients.

The Company will therefore take decisive action to punish such breaches immediately by putting in place suitable and proportionate disciplinary measures, regardless of the possible criminal nature of the actions behind such breaches and the initiation of criminal proceedings in cases where this constitutes a crime.

The consequences of breaching the Code of Ethics and the specific protocols must be taken seriously by all recipients. To this end, OTO Melara will take steps to disseminate the Code of Ethics and the internal protocols and to provide information regarding the disciplinary measures for breaches and how these will be imposed. To protect its image and safeguard its resources, the Company will not enter into a relationship with anyone who does not intend to operate in full compliance with applicable laws and/or who refuses to uphold the values and principles contained in the Code of Ethics and to follow the procedures and regulations set out in the associated protocols.

12.2.2 EMPLOYEES AND MIDDLE MANAGERS

Breaches by employees of the individual rules governing conduct set out in the Code of Ethics are deemed to be disciplinary offences.

The measures that can be applied to employees form part of the Company's disciplinary regulations, in accordance with the procedures set out in article 7 of the Workers' Statute and any specific laws that apply.

With regard to the above, the Organisational Model, and the Code of Ethics that forms an integral of it, refer to the categories of actions to which measures can be applied as set out in the existing disciplinary system.

These categories describe the conduct subject to disciplinary measures, according to the significance of the case in point, and the specific measures that apply to the acts in question, according to the seriousness of the act.

In particular, the "Criteria of correlation between the failings of workers and disciplinary measures" contained in the national collective bargaining agreement for the metalworking industry are set out in section 6.2.1 of the Organisational Model adopted by OTO Melara.

12.2.3 SENIOR MANAGERS

In the event of breaches of the ethical principles established by this Code by senior managers, those responsible will face the most appropriate measures in accordance with the provisions of the national collective bargaining agreement for industrial managers, as set out in section 6.2.2 of OTO Melara's Organisational Model.

12.2.4 DIRECTORS AND AUDITORS

In the event of breaches of the ethical principles established by this Code by directors or auditors of OTO Melara SpA, the Supervisory Authority will inform the Board of Directors and the Board of Auditors, which will take – within the limits of their respective competencies – the most appropriate measures in line with the seriousness of the breach and in accordance with the powers conferred by law and/or the articles of association (declarations in the meeting minutes, requests to convene or actually convening the shareholders' meeting with an agenda item on the appropriate measures to be taken in relation to the

responsible party, etc.), as set out in section 6.3 of the OTO Melara Organisational Model.

12.2.5 CONTRACTORS, CONSULTANTS, PARTNERS, COUNTERPARTIES AND OTHER EXTERNAL PARTIES

Any actions performed by contractors, consultants, partners, counterparties or other external parties as part of a contractual relationship that breach the guidelines established by this Code could result in the termination of the contractual relationship through the activation of appropriate clauses. The Company's Corporate and Legal Affairs department, with the support of the Supervisory Authority, is responsible for drafting, updating and inserting specific contractual clauses (see Appendix 8) for the termination of the contractual obligations in the event of a breach of the established ethical principles into letters of engagement, contractual agreements and partnership agreements.