



ADDENDUM INDIA

Our Code, as well as this addendum is provided as guidance in conducting your L3 responsibilities. These documents are not intended to be all inclusive. You should seek guidance from the Legal Department as conflicts arise.

The L3 Code of Ethics and Business Conduct (“**Code**”) applies to everyone who does business on behalf of L3 - 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 L3 employee must conduct himself or herself in an ethical manner. Where the Code is silent or contrary to this Addendum, the provisions of this Addendum shall prevail.

Specifically, everyone who represents L3 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.

Mandatory Obligation to Disclose Certain Misconduct

The US 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 closeout. In order to comply with these obligations, all L3 employees must immediately report any issues that could potentially constitute a violation of criminal or civil law, or significant overpayment on a 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.

There are some laws particularly applicable to doing business in India. This addendum describes specific areas of Indian law that either substitute for or complement the existing requirements of the Code and is meant to be read in conjunction with the Code. Headings below correspond to headings in the Code. Where this Addendum is silent, or in the absence of any explicit Indian alternative, Indian employees are required to follow the Code.

GIFTS AND ENTERTAINMENT WITH GOVERNMENT EMPLOYEES AND OFFICIALS

Prevention of Corruption Act, 1988 (“PCA”)

Although the Code states: “Before offering anything of value to foreign public officials, including payments to facilitate routine government action, get advance approval from the Legal department,” there is an absolute prohibition under Indian law on providing gratification (gratuities) to a public servant other than legal remuneration for an official act. Any gratification, accepted or agreed to be accepted, is presumed to be for a prohibited purpose. Specifically, Section 7 of the PCA provides:

“7. Public servant taking gratification other than legal remuneration in respect of an official Act.—Whoever, being, or expecting to be a public servant, accepts or obtains or agrees to accept or attempts to obtain from any person, for himself or for any other person, any gratification whatever, other than legal remuneration, as a motive or reward for doing or forbearing to do any official act or for showing or forbearing to show, in the exercise of his official functions, favour or disfavour to any person or for rendering or attempting to render any service or disservice to any person, with the Central Government or any State Government or Parliament or the Legislature of any State or with any local authority, corporation or Government company referred to in clause (c) of section 2, or with any public servant, whether named or otherwise, shall be punishable with imprisonment which shall be not less than six months but which may extend to five years and shall also be liable to fine.”

Explanation to section 7 of the PCA states that the term “gratification” is not restricted to pecuniary gratifications or to gratifications estimable in money. Therefore, in light of section 7, even the payment for meals of public servants may come within the meaning of “gratification” and may be a punishable offence. In view of this, you are prohibited from providing gratification of any nature whatsoever to a public servant in respect of an official act.

Government company means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government company as thus defined.

Under the Prevention of Corruption Act, 1988 ("PCA"), a government official is prohibited from accepting or agreeing to accept any gratification for himself or on behalf of any other person for doing or refraining from doing any official act (Section 7). Any gratification,

accepted or agreed to be accepted, is presumed to be for a prohibited purpose (Section 20[1][2]). However, the court may decline to draw such a presumption of guilt, if the gratification accepted is in the form of casual meals or gifts of trivial amounts (Section 20[3]).

All India Services (Conduct) Rules, 1968 (“Conduct Rules”)

The Conduct Rules apply to a member of the services as defined under section 2 of the All India Services Act, 1951. Rule 11 of the Conduct Rules provides:

“(1) A member of the service may accept gifts from his near relatives or from his personal friends having no official dealings with them, on occasions such as wedding, anniversaries, funerals and religious functions when the making of gifts is in conformity with the prevailing religious and social practice, but he shall make a report to the Government if the value of such gift exceeds Rs.25,000/-.

EXPLANATION - For the purposes of this rule "gift" includes free transport, free boarding, free lodging or any other service or pecuniary advantage when provided by a person other than a near relative or personal friend having no official dealings with the member of the Service but does not include a casual meal, casual lift or other social hospitality.

(2) Save as otherwise provided in sub-rule (1), no member of the service shall accept any gift without the sanction of the Government if the value of gift exceeds Rs.5000/-..

(3) Member of the Service shall avoid accepting lavish hospitality or frequent hospitality from individuals having official dealings with them or from industrial or commercial firms or other organisations.”

In light of the above Rule 11, it may be permissible to offer a gift to a member of the service on certain occasions provided that the value of the gift does not exceed Rs.5000/- (Rupees Five Thousand Only) beyond which the sanction of the Government would be required.

Central Civil Services (Conduct) Rules, 1964

Save as otherwise provided in these rules and subject to the provisions of the Indian Foreign Service (Conduct and Discipline) Rules, 1961, these rules shall apply to every person appointed to a civil service or post (including a civilian in Defence Service) in connection with the affairs of the Union:

Rule 2 provides that (a) "The Government" means the Central Government; (b) "Government servant" means any person appointed by Government to any civil service or post in connection with the affairs of the Union and includes a civilian in a Defence Service;

EXPLANATION – A Government servant whose services are placed at the disposal of a company, corporation, organisation or a local authority by the Government shall, for the purpose of these rules, be deemed to be a Government servant serving under the Government

notwithstanding that his salary is drawn from sources other than the Consolidated Fund of India;

Rule 13. Gifts

(1) Save as provided in these rules, no Government servant shall accept, or permit any member of his family or any other person acting on his behalf to accept, any gift.

EXPLANATION.- The expression "gift" shall include free transport, boarding, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or personal friend having no official dealings with the Government servant.

NOTE (1) - A casual meal, lift or other social hospitality shall not be deemed to be a gift -

NOTE (2) - A Government servant shall avoid accepting lavish hospitality or frequent hospitality from any individual, industrial or commercial firms, organisations, etc., having official dealings with him.

(2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of gift is in conformity with the prevailing religious and social practice, a Government servant may accept gifts from his near relatives or from his personal friends having no official dealings with him, but shall make a report to the Government, if the value of such gift exceeds;-

(i) rupees twenty five thousand in the case of a Government servant holding any Group 'A' post; (ii) rupees fifteen thousand in the case of a Government servant holding any Group 'B' post; (iii) rupees seven thousand five hundred in the case of a Government servant holding any Group 'C' post; and

EXPLANATION - The civil service of the Central Government is organised into four groups, viz. Group 'A' (which includes all- India Service), Group 'B', Group 'C' and Group 'D'. Such classification broadly corresponds to the rank, status and the degree of the level of responsibility attached to the posts. Group 'A' posts carry higher administrative and executive responsibilities and include senior management positions in the ministries/departments and field organisations. The middle and junior levels are classified in Group 'B' and constitute middle management. Group 'C' posts perform supervisory as well as operative tasks and render clerical assistances in ministries and field organisations. Group 'D' posts are meant for carrying out routine duties. The Groups are also co-related to their salary levels.

(3) In any other case of a Government servant shall not accept any gift without sanction of the Government if the value thereof exceeds.

(4) Notwithstanding anything contained in sub-rules (2), and (3) a Government servant, being a member of the Indian delegation or otherwise, may receive and retain gifts from foreign dignitaries if the market value of gifts received on one occasion does not exceed rupees one thousand. In all other cases, the acceptance and retention of such gifts shall be regulated by the instructions issued by the Government in this regard from time to time.

(5) A Government servant shall not accept any gifts from any foreign firm which is either contracting with the Government of India or is one with which the Government servant had, has or is likely to have official dealings. Acceptance of gifts by a Government servant from any other firm shall be subject to the provisions of sub-rule (3).

SECURITY AND CONFIDENTIAL INFORMATION

Official Secrets Act, 1923 (“OSA”)

As an employee of the Company you must ensure that any information obtained by you or the Company on account of contracts with the Government of India or its prime contractors shall remain confidential for all time, whether during the course of your employment with the Company or thereafter. This is required by the Official Secrets Act, 1923, which provides that:

“If any person for any purpose prejudicial to the safety or interests of the State-

(a) approaches, inspects, passes over or is in the vicinity of, or enters, any prohibited place; or

(b) makes any sketch, plan, model, or note which is calculated to be or might be or is intended to be, directly or indirectly, useful to an enemy; or

(c) obtains, collects, records or publishes or communicates to other person any secret official code or pass word, or any sketch, plan, model, article or note or other document or information which is calculated to be or might be or is intended to be, directly or indirectly, useful to an enemy or which relates to a matter the disclosure of which is likely to affect the sovereignty and integrity of India, the security of the state or friendly relations with foreign States he shall be punishable with imprisonment for a term which may extend , where the offence is committed in relation to any work of defence, arsenal, naval, military or air force establishment or station, mine, minefield, factory, dockyard, camp, ship or aircraft or otherwise in relation to the naval, military or air force affairs of Government or in relation to any secret official code, to fourteen years and in other case to three years.”

PROCUREMENT INTEGRITY AND POST EMPLOYMENT RESTRICTIONS

Defense Procurement Manual-2017, Ministry of Defense, Government of India

The integrity of the procurement process for customers is to be safeguarded by you at all costs. You shall always comply with the Defense Procurement Manual-2017, issued by the Ministry of Defense, Government of India or any amendment to it, and all other guidelines and notifications issued by the Ministry of Defense, Government of India with respect to procurement.

PROTECTING PRIVACY

The “scenario” and “guidance” in the Code under this heading do not apply in India and are deleted.

AVOIDING CONFLICTS OF INTEREST

- J **Outside Employment with a Supplier or Customer.** You may not be employed by or serve as a director of a supplier or customer during your employment with the Company.
- J **Outside Employment with a Competitor.** You may not compete with the Company or consult with or be employed in any capacity by a competitor during your employment with the Company.

IMPORT/EXPORT COMPLIANCE

The import/export of technical data, hardware and/or services must comply with all applicable Indian laws and regulations which inter alia include the extant Foreign Trade Policy and foreign exchange regulations and any amendments made thereto.

AVOIDING BRIBERY AND IMPROPER PAYMENTS

The second paragraph of this section of the Code – which begins with “Generally, we do not pay ‘facilitating payments’” and concludes with “such exceptions require the prior written approval of the General Counsel or his/her designee” – is deleted in its entirety. No such facilitating payments are permitted under Indian law.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

Foreign Contribution (Regulation) Act, 2010 ("FCRA")

The FCRA regulates the receipt of foreign contribution and foreign hospitality by certain Indian persons and entities.

Section 3(1) provides:

“No foreign contribution shall be accepted by any

(a) candidate for election,

(b) correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper,

(c) Judge, Government servant or employee of any Corporation or any other body controlled or owned by the Government

(d) member of any Legislature

(e), political party or office-bearer thereof.

(f) organization of a political nature as may be specified under subsection (1) of Section 5 by the Central Government.

(g) association or company engaged in the production or broadcast of audio news or audio visual news or current affairs programmes through any electronic mode, or any other electronic form as defined in clause (r) of subsection (1) of Section 2 of the Information Technology Act, 2000 or any other mode of mass communication;

(h) correspondent or columnist, cartoonist, editor, owner of the association or company referred to in clause (g)”

Explanation to Section 3(1) states that in clause (c), the expression “Corporation” means a corporation owned or controlled by the Government and includes a Government company as defined in section 617 of the Companies Act, 1956.

In addition to the above, section 6 of the FCRA provides that no member of a Legislature or office-bearer of a political party or Judge or Government servant or employee of any corporation or any other body owned or controlled by the Government shall, while visiting any Country or territory outside India, accept, except with the prior permission of the Central Government, any foreign hospitality [*Foreign hospitality means "any offer, not being a purely casual one, made in cash or kind by a foreign source for providing a person with the costs of travel to any foreign country or territory or with free boarding, lodging, transport or medical treatment" (Section 2[i])*], provided that it shall not be necessary to obtain any such permission for an emergent medical aid needed on account of sudden illness contracted during a visit outside India, but, where such foreign hospitality has been received, the person receiving such hospitality shall give, within one month from the date of receipt of such hospitality, an intimation to the Central Government as to the receipt of such hospitality and the source from which, and the manner in which, such hospitality was received by him.

There are two parallel legislations controlling here. Under the FCRA the reasonableness and casual nature of a meal from a foreign source would make it permissible. However, under the Prevention of Corruption Act, any meal would come with a presumption of it being an illegal gratification and the reasonableness of the meal is relevant only to be able to rebut the presumption of illegal gratification.