

A low-angle photograph of two men in business suits walking on a rooftop. The man on the right is gesturing with his hand. In the background, a large satellite dish is visible against a blue sky with light clouds. The ground is a metal grating.

BAE SYSTEMS

INSPIRED WORK

BEING A RESPONSIBLE COMPANY

CODE OF CONDUCT

CONTACTS

TO CONTACT THE CONFIDENTIAL ETHICS HELPLINE

If you are a Head Office, Shared Services, International or Programmes & Support employee, use the following numbers:

Australia	1 800 121889
Austria	0800 281700
Belgium	0800 71025
Brazil	0800 891 8807
Canada	1888 268 5816
Chile	123 002 004 12
Czech Republic	800 142 428
Germany	0800 182 3246
Greece	00800 441 31422
Hungary	06800 14863
India	000800 440 1286
Indonesia	001 803 0441 1201
Italy	800 783776
Japan	00531 78 0023
Kingdom of Saudi Arabia	8008440172
Malaysia	1800 807055
Poland	00800 441 2392
Romania	0800 894440
Singapore	800 4411 140
Slovakia	0800 004461
South Africa	0800 990520
Thailand	001 800 442 078
Turkey	00800 4463 2066
United Kingdom	0800 374199
United States	1877 533 5310

Or use:

<https://www.expolink.co.uk/ethics-report>

Or e-mail:

ethics.helpline@baesystems.com

If you are a BAE Systems, Inc. employee, use the following numbers:

Afghanistan	503 726 2366
Djibouti	503 726 2366
Germany	0800 182 0493
Iraq	503 726 2366
Israel	180 941 3855
Mexico	001 877 433 3054
South Africa	0800 080 515
Sweden*	020 79 1013
United Kingdom	0808 234 3708
United States	888 306 7330

Or use:

www.baesystems.ethicspoint.com

Or e-mail:

ethics.inchelpline@baesystems.com

*The service in Sweden is provided in the event you are not comfortable addressing concerns with your supervisor or with other avenues in the Company, and your concern regards a member of the management committee or their direct reports and relates to corruption, questionable accounting or auditing matters, or otherwise seriously affects vital interest of the Company or personal health safety, or serious forms of discrimination or harassment.

CONTENTS

Message from the Chief Executive	02
1.0 Our responsibilities under this code of conduct	
1.1 The Company values	06
1.2 Company commitment	06
1.3 What is a Code of Conduct?	07
1.4 Who does the Code of Conduct apply to?	07
1.5 Compliance with the Code of Conduct	07
1.6 What about different laws in different countries	07
1.7 Who can I talk to if I have an issue or concern?	08
1.8 Where can I raise an issue or concern?	09
1.9 What if I am afraid of retaliation or retribution?	11
2.0 Our workplace responsibilities	
2.1 Inclusive workplace behaviour	14
2.2 Health and safety	16
2.3 Working with others	18
2.4 Environment	19
2.5 Bribery, gifts and entertainment	20
2.6 Recording of time, costs and materials	22
2.7 Use of Company information technology	24
2.8 Use of Company physical assets	26
2.9 Personal information	27
2.10 Business information	28
2.11 Customer classified information	29
2.12 Conflicts of interest	30
3.0 Our business responsibilities	
3.1 Product safety	34
3.2 Bidding and contract negotiation	36
3.3 Working with advisers	38
3.4 Facilitation payments	40
3.5 Community Investment	42
3.6 Share transactions and inside information	44
3.7 Lobbying and political support	45
3.8 Individual political activities and donations	47
3.9 Trade restrictions and export controls	49
Index	51

BEING A RESPONSIBLE COMPANY

WHAT IT MEANS TO ME

BAE Systems is a Company that we are all proud to work for. We are committed to being a leader in business conduct. Our values of Trusted, Innovative and Bold are underpinned by our Code of Conduct. It is a fundamental part of all our decision making.

It's essential we all remain vigilant to the issues which could compromise our business. Our Code of Conduct provides us with support in understanding the standards of business conduct that everyone is expected to follow, giving practical guidance to help deal with ethical issues and information on where to seek guidance and help.

We cannot describe every situation we will face or what action to take, but our Code will help us decide how to act if we face difficult decisions or conflicts. If we come across anything which we are not sure about, because it seems wrong or we need advice, then we must speak up. I am personally committed to creating an environment in which people can raise issues without fear of retribution. Every one of us is required to uphold this commitment.

Our business conduct really matters to me. We have all worked hard to build a reputation as a responsible and ethical business. The Code helps sustain that position.

A handwritten signature in black ink, appearing to be 'Ian King', written in a cursive style.

Ian King, Chief Executive



As a Company and as individuals we are committed to behaving ethically in all aspects of our business. Success depends on us maintaining our corporate reputation and every employee has an important role to play.

1



OUR RESPONSIBILITIES UNDER THIS CODE OF CONDUCT

This section of the Code of Conduct outlines the Company's commitment to employees under the Code, spells out the responsibilities of those who manage or supervise others and tells us where to go for help if we are concerned about an ethical issue or require guidance.

1.1	The Company values	06
1.2	Company commitment	06
1.3	What is a Code of Conduct?	07
1.4	Who does the Code of Conduct apply to?	07
1.5	Compliance with the Code of Conduct	07
1.6	What about different laws in different countries	07
1.7	Who can I talk to if I have an issue or concern?	08
1.8	Where can I raise an issue or concern?	09
1.9	What if I am afraid of retaliation or retribution?	11

1.1

THE COMPANY VALUES

Responsible behaviour is fundamental to how we do business. It is not just what we do; it is how we do it that is vitally important to both the reputation and success of our Company.

The Company values are Trusted, Innovative and Bold and these values guide all our actions and decisions. Our behaviour is what people see and experience when they interact with us. That is why it is so important that we apply these values to everything that we do.

Our culture depends on all of us living our shared values by delivering on our commitments, creating leading-edge solutions and taking the initiative.

As individuals, collectively as teams and as a Company, we will always:

- foster a culture of ethical behaviour
- take personal responsibility for implementing the standards in this Code and comply with all Company policies and processes
- comply with applicable laws and regulations and contract requirements as a minimum. In the many instances where we set our own higher standards, we will apply these first
- respect the human rights of our employees in the workplace and the communities in which we operate
- seek guidance where we are unsure of the appropriate course of action

1.2

COMPANY COMMITMENT

The Company commits that its leaders, managers and supervisors will:

- act with integrity, serving as role models for the high standards of conduct expected throughout the Company
- promote ethical conduct, both within the Company and in the markets in which we operate
- provide training and other resources so that employees are equipped to deal with ethical issues
- make sure this Code is provided to, explained to and understood by employees they manage and supervise
- foster an open work environment in which employees are encouraged to raise questions or concerns without fear of retaliation or retribution
- take action to address concerns of ethical misconduct

1.3

WHAT IS A CODE OF CONDUCT?

The BAE Systems' Code of Conduct is a summary – in one document – of the principles and standards of business conduct expected of all employees wherever we operate, providing us with practical guidance on how to deal with important ethical issues.

As such, the Code sets the standard that every employee is expected to meet. It is also intended to provide general guidance on situations that may arise in our day-to-day activities on behalf of the Company. This document also tells us where we can get more detailed information on any of the topics covered, and who we can ask for help with resolving problems.

The Code is intended to be a guide as it cannot describe every law, policy or process that may apply to us or every situation that we may face within our everyday role. As a general rule, we are responsible for understanding and complying with the laws, regulations or policies that relate to our business activities. There may be times when we are faced with a dilemma that we are not sure how to resolve. If in doubt, always ask – please see section 1.7.

1.4

WHO DOES THE CODE OF CONDUCT APPLY TO?

This Code applies to and is mandated for all employees. Each of us, wherever we work, must behave in accordance with these standards when dealing with fellow employees, customers, suppliers, contractors, stakeholders and competitors. When appropriate, we should provide a copy of this Code to non-BAE Systems' employees and ask that they comply with our standards and principles.

1.5

COMPLIANCE WITH THE CODE OF CONDUCT

All BAE Systems' employees shall comply with the standards set out within this Code. These standards are clearly laid out at the beginning of each section throughout this Code. These standards are also included in the relevant BAE Systems' policies (embedded within the Operational Framework). A failure to comply with the Code amounts to a failure to comply with BAE Systems' policies and processes, and will be treated accordingly.

1.6

WHAT ABOUT DIFFERENT LAWS IN DIFFERENT COUNTRIES

BAE Systems delivers business worldwide and we are committed to complying with the laws and regulations of all the countries in which we work. Each of us is responsible for understanding and following local laws in the places where we work or do business. Sometimes these laws may be less restrictive than our own standards. In such cases, we will always follow our own standards. If in doubt, ask.

1

2

3

1.7

WHO CAN I TALK TO IF I HAVE AN ISSUE OR CONCERN?

The Code cannot cover every situation that we may face. We may find ourselves faced with a dilemma that we are not sure how to resolve. If in doubt ask yourself these questions:

- is it consistent with BAE Systems' values?
- does it comply with the BAE Systems Code of Conduct
- does it comply with policy, regulation and law?
- would I be setting a good example?
- would I be comfortable explaining what I did to my colleagues, family and friends without shame or embarrassment?
- would I or BAE Systems be comfortable if the action was written about in a newspaper?
- have I consulted others who have knowledge of the topic and sought advice to help me make an informed decision?

If the answer is 'No' to any of these questions, or if you are not sure, stop and seek further advice.

There are a number of ways that you can seek advice and support, including through any of the following:

- your manager
- someone else in your management structure
- your Human Resources contact
- your Legal department
- an Ethics Officer
- the Ethics Helpline (see Section 1.8)

It may be as simple as talking to the person concerned, or discussing the options with a trusted colleague.

Do not let any concerns go unresolved. If you report apparent misconduct honestly, and in good faith, you will be supported by the Company. Employees should report any infringements of the Code as soon as possible.

1.8

WHERE CAN I RAISE AN ISSUE OR CONCERN?

An Ethics Helpline is available. You can use this if you:

- are unsure of how to handle a situation, have a question, or are seeking advice
- want to tell us about situations where you think our standards or the law may not have been upheld
- think an issue or concern that has been reported is not being dealt with properly

Calls to the Ethics Helpline are free and lines are open 24 hours a day, seven days a week. Telephone numbers for the Ethics Helpline are shown on the inside front cover of this Code of Conduct.

Q. What will happen when I contact the Ethics Helpline?

A. When you call the Ethics Helpline, you will be supported. A member of the trained staff will take written details then make a confidential report to BAE Systems, but they will not record your call. We use an external company which specialises in operating confidential telephone reporting systems, to provide an independent service.

Q. Do I have to give my name?

A. We would rather you identify yourself, as this helps us to provide the best advice or assess the concerns you are raising, to take quick action to deal with them or to provide you with an update. If you wish to make an anonymous report we encourage you to use the Ethics Helpline which has a tool to facilitate two-way communication between the Company and an anonymous caller. If you choose to take this approach, please check in regularly so that we may provide you advice or address your concern in a timely manner. It may make it difficult to investigate your issue or concern without this two-way communication.

Q. Can I speak to someone in a language other than English?

A. Yes. Although calls are answered in English, there are qualified interpreters available (however there may be a brief wait for an interpreter to come on the line or they may need to call you back to take your issue or concern).

1

2

3

1.8

**WHERE CAN
I RAISE AN
ISSUE OR
CONCERN?
CONTINUED**

Q. Can I find out what is happening about my issue or concern?

A. Yes. We will give you a call reference number so that you can contact the helpline to find out what is being done. We will update you as appropriate. We will try to advise you when the issue has been resolved, although we may not be able to provide you with all the details due to privacy issues.

Q. Who in the Company will know about my issue or concern?

A. Your details will be known only to those people specifically involved in investigating and addressing your issues or concerns.

Q. Do I have to be absolutely sure that there is a problem?

A. No. If you have a genuine issue or concern that the law or our standards are being or have been compromised then it is important that you report it. If your issue or concern was reported in good faith you will not be penalised in any way.

Q. Should employees speak to their supervisor or manager before contacting the Ethics Helpline?

A. Managers should seek to create an environment in which employees feel comfortable coming to them with questions and concerns. There may be times when an individual will prefer to speak to others – see section 1.7. As a Company, we support either approach.

Q. If I am not a BAE Systems' employee, but wish to raise a potential issue or concern, who can I speak with?

A. Our helpline is accessible to all so we would encourage anyone who has an issue or concern related to BAE Systems to raise it as soon as possible.

1.9

WHAT IF I AM AFRAID OF RETALIATION OR RETRIBUTION?

BAE Systems is committed to ethical business conduct and encourages all employees to seek advice or raise their concerns about business conduct-related issues. We will not tolerate adverse action against anyone for raising an issue or concern in good faith. By adverse action we include where an employee is discharged, demoted, suspended, threatened, harassed, excluded or deliberately marginalised.

Any manager or employee found to have retaliated against another for raising an issue or concern in good faith will face disciplinary action.

2

OUR WORKPLACE RESPONSIBILITIES

In this section we provide guidance on situations we may come across in our day-to-day activities, wherever we are and whatever our role. It also tells us who we can contact for advice on each specific standard and where we can go to find out more information.

2.1	Inclusive workplace behaviour	14
2.2	Health and safety	16
2.3	Working with others	18
2.4	Environment	19
2.5	Bribery, gifts and entertainment	20
2.6	Recording of time, costs and materials	22
2.7	Use of Company information technology	24
2.8	Use of Company physical assets	26
2.9	Personal information	27
2.10	Business information	28
2.11	Customer classified information	29
2.12	Conflicts of interest	30

2.1

INCLUSIVE WORKPLACE BEHAVIOUR

Our standard

We will each contribute to creating an inclusive work environment, where individuals are respected and where the value of having a diverse workforce is recognised.

What it means to me

We are a large, global Company bringing together people from a wide variety of backgrounds, origins, experiences and cultures. It is our responsibility to respect and value others as we would expect to be respected and valued ourselves. It is important that we maintain high ethical standards, and reflect the customers we serve and the communities in which we operate.

We aim to create high performing teams which benefit from their diversity. To achieve this we create an inclusive work environment where the recruitment, employment and development of people is based on qualifications, skills and competency to do the job. Our decisions and actions should not be based on personal bias or prejudice.

To create a constructive and productive workplace, we must listen to others and value their input – even when their views differ from our own. Proactively seeking alternative views is important to create an environment in which others feel they can speak up. We do not tolerate harassment of any kind including sexual, verbal, non-verbal and physical. Abusive, humiliating or intimidating behaviour is never acceptable. We each have a personal responsibility to make sure we neither behave this way ourselves, nor allow others to do so.

When we observe inappropriate or unacceptable behaviour, we have an obligation to do something about it. This may mean talking to the person or people involved; discussing the matter with our line manager; seeking specific advice from one of the many resources available to us (see section 1.7) or reporting the matter confidentially through the Ethics Helpline. Failure to take action makes us part of the problem.

Practical examples

Q. I'm a new member within the team and the working culture is very aggressive. One of my colleagues is picked on constantly by members of the team. I discussed this with a colleague who advised me to ignore the situation, because if I spoke up I could 'become the next target'. Where can I go for advice?

A. You have the right to, and should, challenge inappropriate or unacceptable behaviour. You could speak directly to the people involved or to your manager about the situation to try to get the issue resolved at a local level. If you do not feel comfortable with this, you could also seek advice from Human Resources or the Legal department on the most appropriate course of action to take or you can contact your local Ethics Officer or call the Ethics Helpline.

2.1
INCLUSIVE
WORKPLACE
BEHAVIOUR
CONTINUED

- Q.** My colleague is recruiting a new member for the team. However, I am concerned that she may be excluding applicants for reasons that are unfair and not relevant to the requirements of the job. Should I challenge the selection criteria she is using?
- A.** You are right to be concerned as you must not unfairly discriminate, on any grounds, in resourcing decisions. Including criteria that are not directly relevant to the job can unintentionally exclude certain groups of people. Encourage your colleague to discuss the selection criteria she is using with Human Resources.
- Q.** One of my colleagues posted some comments about a colleagues' physical appearance online whilst at home. He said it was done on his own time and on his own personal page, which makes it, in his judgement, his own business. Is this a concern for the Company?
- A.** We all need to be aware that expressing personal views in a public forum, including online social media could have an adverse impact not only on us, our work environment or our colleagues, but also on our reputation, customers and suppliers. In these situations, a lack of good judgement could have adverse consequences.

Which policies provide more information?

People Policy

IT Acceptable Use Policy

Who can I talk to?

Your manager

Your Human Resources department

Your Legal department

An Ethics Officer

1

2

3

2.2

HEALTH AND SAFETY

Our standard

We have a personal and collective responsibility to maintain a healthy and secure workplace and to promote safe working practices.

What it means to me

Our working environment and operations can have an impact on the health and safety of our employees, our subcontractors and others we work with. We have a responsibility to make sure we limit the potential for accidents to occur.

Complying with safety rules and procedures is an essential minimum. We should also aim to prevent accidents happening by understanding the risks present in our workplace and daily operating environment, and by understanding how accidents can occur. We should all seek to identify those areas that can be improved to protect the safety of all those on our sites.

Each of us has a responsibility for safety in the workplace.

We must:

- be familiar with and comply with the Company's Health and Safety policy and all local requirements
- think through the risks and hazards in our workplace and daily operating environment
- intervene immediately if someone is putting themselves or others at risk
- report all safety risks promptly to a manager or Health and Safety representative

It is essential that access arrangements at our facilities are strictly observed by employees, contractors and visitors. This will help to make sure our workplace remains safe and secure.

Practical examples

Q. I have a health condition that limits my ability to lift heavy objects. As we are short-handed, my supervisor has told me to do a particularly heavy task. What should I do?

A. You should not put your health at risk, particularly if there is a formal restriction on the tasks you can perform. You are responsible for ensuring that your supervisor is aware of the restriction and others, such as Human Resources and Occupational Health, are there to support you doing that.

2.2
HEALTH
AND SAFETY
CONTINUED

Q. I am responsible for arranging for a contract company to carry out safety-related maintenance. I know I should check that the work has been done correctly but they have been doing it for years and there has never been a problem, so is that really necessary?

A. You can never pass the responsibility for safety to another party and it is up to you to ensure that controls are effective, especially when there are potentially serious consequences for the safety of people or our product. If you have insufficient time to discharge this important responsibility, you must raise this to ensure no one comes to harm.

Q. My manager doesn't wear the required safety equipment when she visits my work area as she is only there for a short period of time. I have tried to hint that she should, but I think if I raise it formally with her I might get into trouble. What should I do?

A. Each and every one of us has the duty to look after our own safety and that of those around us. This applies to your manager in the same way as it does to you. You should either raise the issue with her directly or talk to someone else, like a safety specialist to raise it with her.

Which policies provide more information?

Health and Safety policy

Who can I talk to?

Your manager

Your Safety, Health and Environmental department

Your Human Resources department

An Ethics Officer

1

2

3

2.3

WORKING WITH OTHERS

Our standard

We will encourage our suppliers and other business partners to adopt the same or similarly high standards of ethical behaviour.

What it means to me

We work with many different business partners and their behaviour and the way they operate can affect our own reputation. We recognise that maintaining constructive working relationships with others can benefit our business and our professional integrity. We must make sure we maintain our ethical standards and behave respectfully when working with others.

We will encourage our business associates, suppliers and joint venture partners to adopt the same or equivalent standards of ethical business conduct as set out in this Code.

We will promptly report – in the same manner we would for a Company internal matter – any behaviour by a supplier or other business partner that does not match our ethical standards.

We recognise and are committed to respecting the human rights of our employees in the workplace and the communities in which we operate.

Practical examples

Q. I am a BAE Systems employee and have been assigned to work on a customer base location. Whose Code of Conduct am I expected to follow?

A. As a BAE Systems employee your first point of reference should always be our Code of Conduct.

Q. A supplier I work with frequently uses rude and offensive terms when talking about others. I don't like this but – if he's not our employee – can I do anything about it?

A. We do not want our employees to have to endure this sort of working environment. As a supplier to BAE Systems, their company will have been advised of the standards of conduct we expect from ourselves and others. You should speak to them directly and ask them to use more appropriate language. If they persist, you should raise the matter with your manager or the manager for this particular contract.

Which policies provide more information?

People policy

Who can I talk to?

Your manager

Your Human Resources department

Your Procurement department

An Ethics Officer

2.4

ENVIRONMENT

Our standard

We are committed to high standards of environmental management.

What it means to me

We have a personal and collective responsibility to use resources efficiently and to minimise the short, medium and long-term impact of our products and operations on the environment. In doing this, we need to comply with the law and relevant environmental regulations where we are operating.

We should all be aware of the Company’s Environmental policy and make sure we apply it, as appropriate, in all aspects of our work.

Practical examples

Q. BAE Systems is a large Company. How can I make a difference to the impact it has on the environment?

A. We have all heard extensively about ‘global environmental issues’. These can only be addressed if we all, as individuals, do what we can to make a difference in how we behave toward the environment on a daily basis. Simple things such as, recycling paper, turning off lights and other electrical equipment, and using alternative forms of communication to avoid or reduce the need for business travel will all have a positive impact.

Q. A colleague has raised a concern that we should no longer be using materials we have previously used.

A. What we are permitted to use today may well change in the future and we have to continually evolve to respond to these changes. Increasingly we need to consider the scarcity, source and impact of materials we use. Guidance should be sought on what is permitted or not, and what is available for use now and in the future.

Which policies provide more information?

Environmental policy

Who can I talk to?

Your manager

Your Safety, Health and Environmental department

Your Engineering department

Your Procurement department

An Ethics Officer

1

2

3

2.5

BRIBERY, GIFTS AND ENTERTAINMENT

Our standard

We will not offer, give or receive bribes or inducements for any purpose whether directly or through a third party.

What it means to me

Even the suggestion of corruption may damage the reputation of the Company and affect its ability to do business. It may also bring the personal integrity of individuals into question. Employees, advisers, consultants, distributors, joint venture partners or anyone else who may be acting on the Company's behalf must not offer, give or receive bribes or corrupt payments. A bribe includes any payment, benefit or gift offered, given or received with the purpose of improperly influencing a decision or outcome. The payment may not necessarily be of large value. It could be as simple as a lunch or an invitation to a sporting event.

We will not offer, give or receive any payment, benefit or gift which is intended or may be construed as a bribe. We are each responsible for knowing what our business guidance allows and what the law permits in our own country of operation regarding gifts and benefits given to or received from government officials, customers, suppliers or other third parties. If we are unsure then we should always seek guidance before proceeding.

Always seek guidance before accepting or giving any gift or hospitality and record it in the relevant gifts and hospitality register, when required.

Practical examples

Q. I regularly organise conferences for the Company. I was recently offered a free stay in a hotel which was competing for our business. Am I allowed to accept it?

A. It is not acceptable to make personal gain out of a business transaction. You should seek guidance.

Q. I have been given an expensive gift during a business meeting and know that – because of cultural traditions – it would offend the provider if I did not accept it. What should I do with the gift, so as not to offend the provider?

A. You should report the gift immediately and ask for guidance. When it is not appropriate to accept or retain the gift the Company may ask you to return the gift or seek the provider's permission to donate it to charity.

2.5
BRIBERY,
GIFTS AND
ENTERTAINMENT
CONTINUED

Q. Last year we received approval to give a gift to our customer. We don't need to go through the process of obtaining approval again this year, if we just do something similar to what was approved last year. Do we?

A. Even if a gift was approved last year, you do need to seek approval to give something similar again this year. Rules related to giving and receiving of gifts are complicated and constantly evolving. What you had in mind may be just different enough to violate the rules, or the rules may have changed. Our policies also require that certain gifts be recorded in a gifts and hospitality register.

Which policies provide more information?

Gifts and Hospitality policy

Facilitation Payments policy

Who can I talk to?

Your manager

Your Legal department

An Ethics Officer

2.6

RECORDING OF TIME, COSTS AND MATERIALS

Our standard

We will record all transactions, expenditures, labour charges and all other aspects of the Company's business accurately and in accordance with our accounting, expenses and record keeping policies.

What it means to me

Honest, accurate and objective recording and reporting of information, whether financial or non-financial, is essential to the Company's governance, credibility and reputation. The accurate charging of labour, material, and other costs is also necessary to maintain the integrity of the Company's customer billing, cost estimating, and financial reporting processes. Failure to record financial information and labour charges accurately will damage the Company's credibility and reputation and potentially expose the individual to serious consequences.

We must each record all transactions, expenditures, hours worked or any other aspect of the Company's business accurately, in a timely manner and in accordance with local Company procedures.

Practical examples

- Q.** My boss has asked me to delay paying an invoice to meet her annual budget target. Should I do this?
- A.** The invoice should be paid in accordance with the payment terms agreed with the supplier. You should not deliberately delay payment in order to artificially affect the financial performance of the Company.
- Q.** I am working on a bid submission and in order to gain the contract, I am considering under-estimating the costs as I know I can charge the customer for overruns once the contract has been won. Is this appropriate?
- A.** No. It is never acceptable to deliberately misrepresent costs that we intend to incur and bill to the customer.
- Q.** A colleague consistently returns late from lunch but still puts a job number down on his timesheet for this time. He said that it was okay as he frequently does extra bits of time that do not get charged.
- A.** Timesheets form the basis of the costs we charge the customer, so it is vital that all project timesheets give a true and accurate representation of the time spent working on that job. In this instance the issue must be raised.

2.6
RECORDING
OF TIME,
COSTS AND
MATERIALS
CONTINUED

Which policies provide more information?

Finance policy

Fraud Prevention policy

Document Creation, Retention and Destruction policy

Local Expenses policy

Who can I talk to?

Your manager

Your Finance department

Your Contracts/Commercial department

An Ethics Officer

2.7

USE OF COMPANY INFORMATION TECHNOLOGY

Our standard

We will use Company information technology (IT) facilities appropriately and responsibly. We will also carefully consider how we refer to work/business activities when using social media.

What it means to me

Company IT facilities may be defined as including, but not limited to:

- laptop and desktop computers and network connectivity enabling devices
- IT services such as email, data storage and internet access
- mobile computing devices such as smartphones and tablets
- Company information stored on authorised personal devices.

The use of Company provided IT facilities is governed by the Company IT Acceptable Use policy, as well as local, device, or network-specific guidance. If in doubt, please seek advice.

Company-provided IT facilities are intended to be used primarily for business operations. They may be used for limited personal use in accordance with local policy and providing this does not interfere with normal business activities. Company devices or networks should not be used for unauthorised or unlicensed software, to visit inappropriate internet sites or access or transmit inappropriate content. The Company and its service providers may monitor the use of any IT facilities to ensure compliance with Company policies.

Whether through Company or personal computing devices, in work time or personal time, the use of social media should be managed with caution and care. We should use restraint and consider the risk to the Company, our customers, our colleagues and ourselves because any information posted to the internet can become instantaneously accessible globally, permanently available and open to being republished in other media.

Practical examples

Q. I am staying in a hotel as part of a business trip. Can I connect my laptop or other Company device to the hotel Wi-Fi so I can surf the internet?

A. Yes. The first thing you need to do after connecting to the hotel Wi-Fi is to log on to the Company's remote access service before you visit any other internet sites. By connecting to the Company remote access service before surfing the internet, you will be providing the maximum level of protection to your laptop or other Company device and the data stored on it.

2.7
USE OF
COMPANY
INFORMATION
TECHNOLOGY
CONTINUED

Q. I have noticed someone making inaccurate accusations about the Company on social media. If I know that they are wrong, should I correct them?

A. By entering directly into such a discussion, you may inflame the situation, potentially leading to further damage. For this reason, only people authorised to do so by Communications should represent the Company externally. The Communications function does regularly monitor social media for mentions of the Company; however, it would be advisable to let them know of your concerns.

Which policies provide more information?

IT Acceptable Use policy

Security policy

Communications policy

Who can I talk to?

Your manager

Your IT department

Your Security department

Your Communications department

An Ethics Officer

2.8

USE OF COMPANY PHYSICAL ASSETS

Our standard

We will protect all Company equipment and property in our care from loss, disclosure or misuse. We have the same responsibility for the assets in our care belonging to customers and other third parties.

What it means to me

We are each responsible for protecting any equipment and property to which we have access to or have been entrusted to safeguard, whether that equipment belongs to the Company, our customers or other third parties. We need to make sure that these assets are not compromised, lost, damaged, misused or wasted. You should not loan, transfer, sell or donate these assets without authorisation.

We can meet this responsibility in a number of ways, including:

- using the equipment only for authorised purposes
- ensuring it is regularly maintained
- physically securing the equipment when not in use
- keeping good inventory records, including customer and third party required reports

Practical example

Q. I use Company tools for my home improvements during the weekend. Is this misuse of a Company asset?

A. Company tools are designed to be used for Company activities and not for personal use. You may not remove them from Company facilities without prior approval and appropriate safety assessments.

Which policies provide more information?

Security policy

Who can I talk to?

Your manager

Your Security department

An Ethics Officer

2.9

PERSONAL INFORMATION

Our standard

We will ensure all personal information is handled appropriately, safeguarding individuals' privacy and following all relevant Company processes and applicable data protection laws and regulations.

What it means to me

When you entrust the Company with personal information, all reasonable measures and safeguards will be taken to ensure that our personal information is kept safe and secure.

We only allow access to our personal information to those who have a valid business reason for accessing it, reducing the risk of our personal data being compromised.

Practical example

Q. I have just received a call from someone asking for help to make contact with an employee who has left the Company. They say that they are old friends and that they would like their home phone number and address so that they can get back in contact with them. What should I do?

A. You should never provide the information without the individual's permission. If in doubt you should refer your enquiry to HR.

Which policies provide more information?

Personal Data Protection policy

Security policy

Document Creation, Retention and Destruction policy

People policy

1

Who can I talk to?

Your manager

Your Human Resources department

An Ethics Officer

2

3

2.10

BUSINESS INFORMATION

Our standard

We will protect information that is proprietary to our Company and information in our possession that is proprietary to other parties.

What it means to me

Proprietary information includes technical and non-technical internal information which is used by the Company in its business and which we protect from disclosure. The unauthorised use of such proprietary information – including that of competitors, customers, or suppliers – is not permitted.

To protect such information we need to take a number of steps, including:

- only disclosing it outside the Company on a need-to-know basis as part of an established confidential relationship or a formal agreement governing the use and security of the information
- never sharing proprietary information from a previous employer
- proprietary information should only be stored within the Company’s approved facilities/IT infrastructure and must be appropriately marked

Practical example

Q. I am evaluating specification data and drawings on a supplier’s new product that we are considering for one of our programmes. Can I send the drawings to another supplier to see if they have a similar product or can develop one? After all, we’re supposed to encourage competition between suppliers.

A. You cannot share the data with the other supplier. It was provided to us in confidence and the purpose has been clearly indicated.

Which policies provide more information?

- Intellectual Property policy
- Document Creation, Retention and Destruction policy
- Inside Information policy
- Security policy

Who can I talk to?

- Your manager
- Your Legal department
- Your Security department
- An Ethics Officer

2.11

CUSTOMER CLASSIFIED INFORMATION

Our standard

We will handle customer Classified and/or Protectively marked information in accordance with the appropriate regulations, policies and processes.

What it means to me

Improper or unauthorised handling of classified and confidential information may damage the national security of the countries in which we do business. It also damages our reputation and may harm the operational and financial performance of the Company.

This means we have a responsibility to:

- handle Classified and/or Protectively marked information in accordance with all applicable laws and local procedures
- not discuss classified information with anyone unless we have confirmed that they have the appropriate clearance and a need to know and we are in a secure place

Practical example

Q. I am meeting an engineer from another company for coffee at a restaurant near his office. He is working on the same government project as me and we need to discuss the interface specification. The specification is classified so I left it at the office. Is it okay to discuss the specification with him at the restaurant since we don't have the actual classified material with us?

A. It is never acceptable to discuss classified information in a public place even if there are no classified documents in use. The security and confidentiality of the information could be compromised if someone overhears the conversation.

1

Which policies provide more information?

Security policy

Intellectual Property policy

2

Who can I talk to?

Your manager

Your Legal department

Your Security department

An Ethics Officer

3

2.12

CONFLICTS OF INTEREST

Our standard

We will disclose and seek direction on any issues that may potentially conflict with our responsibilities to the Company.

What it means to me

When a conflict of interest arises it can cast doubt on our integrity. It can also have a damaging effect on the reputation of the Company.

Conflicts of interest are situations in which competing interests may impair our ability to make objective and unbiased business decisions on behalf of the Company. These situations can take many forms, with examples including managing or recruiting a close friend or family member, having a second job, holding financial interests in suppliers or competitors, or serving on the board of directors of another company operated for profit without BAE Systems' approval. We may, however, serve on the boards of community, government, educational, civic or other non-profit organisations, provided that such participation does not interfere with our duties as an employee.

Potential conflicts of interest should be avoided or carefully managed. In all cases, we must disclose a potential or actual conflict as soon as we become aware of it. The issue will be discussed in a straight forward manner, and be recorded and resolved as soon as practically possible.

Practical examples

Q. A colleague I am dating has recently transferred into my department. Previously we had no interaction at work. Does this move create a conflict?

A. Possibly. You should both discuss this with your Human Resources department or your manager.

Q. My neighbour wants me to see if there is a job opening for his daughter and whether I can 'pull any strings'.

A. You should advise them to apply to the relevant department of the Company. You should ensure that you are not involved in, or have any influence on, the recruitment of that individual as it would be a conflict of interest.

2.12
CONFLICTS
OF INTEREST
CONTINUED

Which policies provide more information?

Conflict of Interest policy

People policy

Who can I talk to?

Your manager

Your Human Resources department

Your Legal department

An Ethics Officer

It is clear that not all of us are affected by all of the issues in this Code. Some areas of business conduct are of particular relevance to particular employees – and, in some cases, to only a few. Yet it is important that, as a Company, we clearly state our position on all of these matters as this is critical to upholding our reputation as an ethical business.

3



OUR BUSINESS RESPONSIBILITIES

This section deals with issues with a somewhat broader application, from bidding for and negotiating new business, to export control and product safety. It is the one most related to our Responsible Trading Principles, which are used in conjunction with this Code to underpin all of our business activities.

This section also deals with areas that will affect only a small proportion of our employees and states the Company's position in broad terms. These issues include working with advisers, facilitation payments, community investment and lobbying. In the event that we become involved in any of these issues it is always advisable to seek guidance from one of our specialists on particular topics and to make ourselves familiar with the details of the Company's policies.

3.1	Product safety	34
3.2	Bidding and contract negotiation	36
3.3	Working with advisers	38
3.4	Facilitation payments	40
3.5	Community Investment	42
3.6	Share transactions and inside information	44
3.7	Lobbying and political support	45
3.8	Individual political activities and donations	47
3.9	Trade restrictions and export controls	49

1

2

3

3.1

PRODUCT SAFETY

Our standard

We will work with each customer to agree the level of safety of each product through its life, and avoid the risk of our products causing unintended harm whenever we can.

What it means to me

No product is without risk. We will agree with our customers regarding the level of safety that is required – that is, what risks are acceptable – and we will work to ensure that we deliver products that meet that level. We will not agree, however, to a level of safety that is unlawful or unethical.

Our policies and practices are built on a set of principles of product safety that apply throughout the product's life, and that may extend beyond the formal end of the project.

The safety of our products relies on the application of our safety policies and processes, and on the behaviours and attitudes of each of us. We have a chain of accountability for product safety and are responsible for ensuring that the products that we deliver both match their design and have the agreed level of safety.

We share information about product safety with our customers and we try to learn from them anything about the performance and use of the products that we can use to improve safety.

We should make ourselves aware of the product safety implications of our roles and ensure that we are operating in full compliance both with the law and with our own business unit's safety policies and processes. Any concerns regarding the safety of a product, or the application of policies and processes, should be raised immediately with our manager or Engineering Authority.

Practical examples

Q. What do we mean by 'product'?

A. A product is anything that we make or trade, which could be physical like a platform or subsystem, intangible like software or a design licence, or a service, like maintenance or support.

Q. I have discovered something that might cause a product to be less safe than intended and believed? What should I do?

A. Do not let any valid concern go unreported. Inform your manager immediately and follow your local product safety, quality and other policies. Should your concern be challenged, make sure that you have fully explained what you considered to be the risks.

3.1
PRODUCT
SAFETY
CONTINUED

Which policies provide more information?

Product Safety policy

Engineering policy

Who can I talk to?

Your manager

The relevant technical department

An Ethics Officer

3.2

BIDDING AND CONTRACT NEGOTIATION

Our standard

We will always behave ethically when competing for customers' business and when placing business with suppliers or offset partners.

What it means to me

Honesty, integrity and openness underpin our business. They clearly apply to our contractual dealings with customers, suppliers and offset partners. All of these dealings must be open and honest. This is especially true in the development of new business and in the negotiation of contracts.

There are two separate but related aspects of this standard.

They are:

- contract bidding and negotiating directly with the customer, supplier or offset partner for a specific contract
- anti-trust and competition issues that indirectly affect our bidding activities or affect how we compete in a particular market

We have made it clear that when we are bidding for or negotiating a contract we will:

- not knowingly make any untruthful or inaccurate statements, communications or representations
- disclose information required by law or regulation
- observe the laws, rules and regulations that apply to procurement activities
- not solicit or accept information on a competitor's bid or proposal that we know to be proprietary or restricted from disclosure by law or regulation
- ensure offset arrangements are consistent with the Offset policy and comply with all export control laws and regulations

Competition and anti-trust laws prohibit anti-competitive behaviour, such as conspiring with others to fix prices. To comply with these laws, we have made it clear that when we discuss business opportunities with other companies, we will:

- comply with competition and anti-trust law
- refrain from discussing pricing with competitors
- not discuss or agree to sharing a market by conspiring to split specific bids between us
- report any inquiries made to us in connection with such activities to the Legal department

3.2
BIDDING AND
CONTRACT
NEGOTIATION
CONTINUED

Practical examples

Q. The customer has asked for a specific delivery schedule that we know we cannot meet. Can we agree with the schedule and, to stay competitive, simply price in the damages that the Company will pay for late delivery?

A. We should propose an alternative schedule that we can reasonably meet. There may be other benefits we can offer to mitigate against this disadvantage, but honesty is required.

Q. Another company has asked to discuss what contract terms and pricing we have negotiated with a supplier, as they would like the same kind of deal that we have. Is this okay?

A. No. First, we have an ethical and contractual obligation to respect the confidentiality of the supplier's pricing. Secondly, our actions might be construed as an attempt to fix prices in the supply market.

Which policies provide more information?

Lifecycle Management Framework

Conflict of Interest policy

Gifts and Hospitality policy

Offset policy

Who can I talk to?

Your manager

Your Contracts/Commercial department

Your Legal department

Your Procurement department

Your Business Development department

An Ethics Officer

1

2

3

3.3

WORKING WITH ADVISERS

Our standard

We will only appoint advisers of known integrity, and we will require that their conduct meets our standards at all times.

What it means to me

The Company sometimes uses advisers – such as consultants or distributors – to give guidance on our strategic approach in a particular country or to assist in marketing and distributing our products. Their role may, among many other activities, include providing us with general advice about the local business environment, assisting in discussions with government officials or supporting offset matters. There are a small number of employees who work with advisers and only a very few are authorised to appoint and sign contracts with them.

If we intend to work with advisers, we must understand and always comply with the Company policy on the appointment, management and payment of advisers. Our policy describes the due diligence procedures and mandatory approval process we use in selecting and appointing advisers. We demand that all of our advisers, consultants and distributors comply with our policies and the local laws and regulations that govern their activities. If we are ever aware of any possible violation of these policies, laws or regulations by an adviser we must report it to our Legal department.

Practical examples

Q. I recognise the need to appoint an adviser to assist in an export campaign currently being undertaken. Where can I find information to make sure that I appoint the adviser in the correct way?

A. Contact either the Legal department or the relevant Business Development representative.

Q. I am under a tight deadline to appoint a consultant who could be important to landing a large contract in a new market. Is it okay to provide a verbal agreement to proceed and complete the relevant checks later?

A. No. Our policy requires that due diligence checks be completed in advance. Experienced advisers know that this is necessary. Inform your manager and Legal department about the issue and seek their support in completing the necessary processes quickly.

3.3
WORKING
WITH ADVISERS
CONTINUED

Which policies provide more information?

Advisers policy

Who can I talk to?

Your manager

Your Legal department

Your Business Development department

An Ethics Officer

3.4

FACILITATION PAYMENTS

Our standard

We will not make facilitation payments and will seek to eliminate the practice in countries in which we do business.

What it means to me

A facilitation payment is a payment or gift given (usually to a government official) to speed up a procedure or to encourage one to be performed. It does not include fees required to be made by law such as the payment of a filing fee for a legal document. The Company's position on such payments is clear.

We will:

- not make facilitation payments
- not allow others to make them on our behalf
- report any requests to make facilitation payments
- take action to combat the practice of facilitation payments

We recognise that in some countries, an employee's own welfare and safety could be at risk if they do not make a facilitation payment. If we find ourselves in this situation, we should never put ourselves in danger. Make the payment and report it promptly to your manager who should, in turn, quickly inform the Legal department. The Company will not take disciplinary action against an employee who makes such a payment in the belief that they will be at risk if they do not do so.

Practical examples

Q. I was informed that I could hire a local company or consultant to help get all the necessary permits from a foreign government. An advance payment has been requested to 'help move the process along'. Since I don't really know where the money is going, do I have to worry about it?

A. Yes. You are responsible for the actions of any third party working on your behalf. The request for an advance payment is itself a red flag and the comment made about the payment even more so. Consult with your Legal department before proceeding.

Q. While on business travel abroad I was asked by a Customs Official to make a cash payment in addition to the cost of my ticket. This didn't appear to be an official service. Although I opted not to pay, is there further action I need to take?

A. Yes. Even if you decline what appears to be a facilitation payment, you should report the request to your Legal department.

3.4
FACILITATION
PAYMENTS
CONTINUED

Which policies provide more information?

Facilitation Payments policy

Advisers policy

Gifts and Hospitality policy

Who can I talk to?

Your manager

Your Legal department

An Ethics Officer

3.5

COMMUNITY INVESTMENT

Our standard

We will make a positive social and economic contribution through our activities to the communities in which we work, and we will support, sponsor and contribute to the activities of other organisations, where they are aligned with our own business objectives, our values and will enhance the reputation of the Company.

What it means to me

We contribute to charities and good causes through sponsorship and donations and by providing materials. Our particular focus is on those organisations that support the Armed Forces and their families, or those which are working to engage young people and educational groups especially in the areas of science, engineering and technology. We also support efforts to preserve the Company's heritage, key historical artefacts and the technological history of the aerospace and defence industry and the Armed Services. We encourage our employees to give their time as volunteers to these causes.

When making sponsorship commitments, charitable donations or promises of 'in-kind' support – such as Company materials or resources – prior approval is required and the activity must be recorded in accordance with our policy. All requests for sponsorship and charitable donations received must be referred to your Communications department to ensure that they meet our sponsorship and charitable giving criteria.

Practical examples

- Q.** I have been asked if the Company will sponsor an event at a school close to one of our sites. Should I sponsor the event as a gesture of goodwill to the community?
- A.** You should contact your Communications department to see if the request meets our sponsorship criteria.
- Q.** A colleague is participating in a walk to raise money for a national charity. Can the Company support them?
- A.** No. The Company's strategy for donations is to give funds directly to charitable organisations and not to support third party fundraising. Of course, you can personally support them as a private individual.

3.5
COMMUNITY
INVESTMENT
CONTINUED

Q. I am organising a fundraising event local to our site and would like to approach local businesses to seek their support by donating prizes. Is this allowed?

A. Requests like this can often create a feeling of obligation. As such you should not solicit donations from other companies without first seeking guidance, especially where they are existing or potential suppliers or service providers to BAE Systems. Guidance can be obtained from your Legal or Communications department.

Which policies provide more information?

Community Investment policy

Gifts and Hospitality policy

Who can I talk to?

Your manager

Your Communications department

Your Legal department

An Ethics Officer

3.6

SHARE TRANSACTIONS AND INSIDE INFORMATION

Our standard

We will safeguard share price-sensitive information and will not deal in shares or encourage others to do so when in possession of such information.

What it means to me

Occasionally, some of us may receive confidential information about the Company and its business that – if made public – would be likely to have a significant effect on the value of the Company’s shares or those of another company. This information is commonly known as ‘Inside Information’. When we are in possession of such information, we must not deal in the shares of the Company to which such information relates.

In addition, we should never give inside information to anyone else – whether to other employees (unless specifically authorised to do so by the Company), family members, friends or business associates – or encourage them to deal in shares based on such information.

Practical examples

Q. I am aware that we are going to place a large contract with a new supplier. How freely can I talk about this with my colleagues?

A. Unless those colleagues are also involved in the selection process you should not discuss the award with them until after it has been announced. Award of a large contract to a small company can heavily influence its value in the market.

If your colleagues purchase shares in the supplier before the contract is announced, it could be assumed that they did so based on knowledge not available to the general public.

Q. I have been asked to participate in a due diligence review of a company we are considering buying. Can I talk about this assignment with my neighbour?

A. No. You should never discuss a potential acquisition with anyone inside or outside the Company who is not directly involved in the acquisition team.

Which policies provide more information?

Share Dealing policy

Inside Information policy

Who can I talk to?

Your manager

Your Legal department

An Ethics Officer

3.7

LOBBYING AND POLITICAL SUPPORT

Our standard

We will not make political payments. We will be open about our lobbying activities.

What it means to me

The Company does not participate directly in political activities or make corporate contributions or donations to political parties or their representatives.

This means:

- Company funds and resources may not be used to contribute to any political campaign, political party, political candidate or any of their affiliated organisations
- we will not use charitable donations as a substitute for political payments

Although we are not allowed to make any such political contributions or payments directly, when required to report such payments we must obtain full details from our partners and suppliers regarding any such payments they may have made. Although the Company does not directly participate in party politics, we will continue to engage in policy debate on subjects of legitimate concern to us, our employees, customers and end users and the communities in which we operate, including through lobbying. Any employee who lobbies on behalf of the Company must:

- comply with all requirements of law, regulation and internal policy regarding lobbying. This includes, but is not limited to, complying with the laws and regulations relating to registration and reporting
- make themselves knowledgeable about the laws governing lobbying in the countries in which they operate
- consult with management before any contact is made with government officials or employees

1

2

Practical example

Q. I don't have any contact with government officials, but am sometimes asked to do research for our Government Relations department on pending legislation. Do I have to know anything about the lobbying rules?

A. In some countries there may be rules that require you to report the time you spend supporting those who lobby the government directly. You should consult your Legal department if you are in doubt.

3

3.7
LOBBYING
AND POLITICAL
SUPPORT
CONTINUED

Which policies provide more information?

Lobbying, Political Donations and Other Political Activity policy

Who can I talk to?

Your manager

Your Legal department

Your Export Control team

Your Government Relations department

An Ethics Officer

3.8

INDIVIDUAL POLITICAL ACTIVITIES AND DONATIONS

Our standard

We all have a right to participate as individuals in the political process. We will not use Company time, property or equipment to carry out or support our personal political activities.

What it means to me

We respect the rights of employees to make personal political donations and to be involved in political activity on their own time. Since we are also employees of the Company and our activities may sometimes be mistaken for activities of the Company, we must:

- not use Company time, property or equipment to carry out or support our personal political activities
- always make it clear that our views and actions are our own and not the Company's

In certain countries (such as the US) the law permits employees to make donations to political campaigns through a Political Action Committee. Although the Company may facilitate such activity, no donations may be made with Company funds through such committees.

Practical examples

Q. I am planning to run for a local government office. Do I need to inform the Company?

A. Yes. You are always entitled to participate in politics in such a manner. However, the Company needs to be made aware so that we can be sure that neither you nor the Company is inadvertently placed in a position of conflict of interest due to your duties as an employee.

1

Q. I feel passionately about a candidate who is running for office in an upcoming election. I believe this person would do good things for our Company. I know we try not to talk about politics at the office. Is it okay if I just put up one of their stickers on my bulletin board and only talk about it if people ask me about it?

2

A. A certain amount of personal discussion is normal and valuable in any workplace. We appreciate that you are interested in the Company's well-being as you develop your own political opinion and make your voting choices. Even in this situation, it is important that employees do not feel pressured to support particular candidates or engage in political discussions in the workplace. This is particularly true for supervisors and anyone with management responsibilities. It is best to limit political discussions, which could be perceived as seeking to influence others, to your personal time outside of the office.

3

3.8
INDIVIDUAL
POLITICAL
ACTIVITIES
AND DONATIONS
CONTINUED

Which policies provide more information?

Lobbying, Political Donations and Other Political Activity policy

Who can I talk to?

Your manager

Your Legal department

Your Government Relations department

An Ethics Officer

3.9

TRADE RESTRICTIONS AND EXPORT CONTROLS

Our standard

We will comply with all applicable laws and regulations when importing and exporting products, services and information.

What it means to me

Whenever we are involved in any way with export-controlled material or information we must be familiar with the Company's policies and procedures for handling export-controlled goods, technology, data and/or providing services. Involvement may mean transferring such export-controlled material to a foreign or dual national inside a Company facility (for instance during a plant tour) or at a trade show. It can also mean sending a technical drawing to a potential supplier whether in your home country or exported to another country or submitting a proposal to your own Government or to a foreign government. It can also affect foreign technology or data that did not originate in your country – even if it is going back to its country of origin.

If we fail to observe export control laws, the Company (and individuals) may face fines, criminal prosecution and loss of export privileges.

We do not expect every employee to be an expert on a particular country's laws and regulations. Our own policies and procedures take these regulations and laws into account. As such, it is important to be familiar with them.

The Company will provide training to those employees who are involved in export and import, or who regularly have contact with foreign nationals. If you have any questions or concerns about whether your activities may be subject to export restrictions, you must consult your import/export officials.

Practical examples

Q. I have regular email exchanges with a customer engineer in another country about my project. Should I have any concerns about this from an export perspective?

A. Yes. You could be transmitting technical information that is export-controlled by your country's laws or the laws of the country that you are dealing with, or the US Government export controls which apply worldwide. Even if you have export authorisation for the information, the information may need to be encrypted to prevent unauthorised persons from intercepting. Also, recordkeeping related to the export-controlled transmission may need to be maintained.

1

2

3

3.9
TRADE
RESTRICTIONS
AND EXPORT
CONTROLS
CONTINUED

Q. Can I submit a proposal to a customer in another country without an export licence? After all, we won't be delivering anything for a year and we have time to get the licence before we deliver.

A. Your proposal may itself include technical information that is export-controlled by your country or the recipient country or by US export controls which apply worldwide. If so, the proposal may require an export authorisation and possibly a security authorisation. You need to discuss this well in advance with your local export control representative. In some cases, even if the proposal does not include export-controlled information, submitting a proposal for an end item that is considered sensitive may require an approval from the government(s).

Q. If we have an export authorisation for a deliverable, I can just get the Shipping department to send it out as a routine matter, right?

A. No. There are outbound shipping procedures which must be followed for export-controlled material. For example, screening, licence authorisation checks, special markings, notice requirements, and record-keeping must all be conducted and maintained before the export is made. For example, we may also be restricted as to which freight forwarder we use. Make sure Shipping knows that this is an export-controlled material and proceeds with the transfer in accordance with all applicable Export Control policies and procedures.

Which policies provide more information?

Export Control policy

Pursuit of Export Opportunities policy

Who can I talk to?

Your manager

Your Export/Import Control department

Your Legal department

An Ethics Officer

INDEX

Area	Section	Page
Abusive behaviour	1.1, 2.1, 2.3	6, 14, 18
Acceptable use	2.7, 2.8	24, 26
Accidents	2.2	16
Antitrust	3.2	36
Business partners	2.3	18
Business relationships	2.3, 2.5, 2.12, 3.2, 3.3	18, 20, 30, 36, 38
Cash gifts and payments	2.5, 3.2, 3.4	20, 36, 40
Charitable giving	3.5	42
Competition	3.2	36
Confidential Information	2.9, 2.10, 2.11, 3.6	27, 28, 29, 44
Directorships	2.12	30
Diversity	2.1	14
Entertainment	2.5, 2.7, 2.8	20, 24, 26
Environmental impact	2.4	19
Export licences	3.9	49
Facilitation payments	3.4	40
Financial reporting process	2.6	22
Fundraising	3.5	42
Harassment	1.1, 2.1, 2.3	6, 14, 18
Helpline	1.7, 1.8	8, 9
Health and safety	2.2	16
Import requirements	3.9	49
Individual responsibility	1.1, 1.4, 1.5, 1.6, 1.7, 1.8	6, 7, 8, 9
Individual political activity	3.8	47
Inappropriate behaviour	1.1, 2.1, 2.3	6, 14, 18
Management responsibilities	1.2	6
Offset	3.2, 3.4	36, 40

1

2

3

INDEX
CONTINUED

Area	Section	Page
Political activities	3.7, 3.8	45, 47
Product Safety	3.1	34
Proprietary information	2.10	28
Protecting Company assets	2.7, 2.8	24, 26
Raising concerns	1.7, 1.8	8, 9
Recycling	2.4	19
Retaliation	1.2, 1.9	6, 11
Security	2.2	16
Security of information	2.9, 2.10, 2.11	27, 28, 29
Social media	2.1, 2.7	14, 24
Sponsorship	3.5	42
Unacceptable gifts	2.5	20
Work environment	2.1, 2.2, 2.3	14, 16, 18



BAE Systems plc
6 Carlton Gardens
London SW1Y 5AD
United Kingdom
Telephone +44 (0)1252 373232

Registered in England and Wales No. 1470151

www.baesystems.com

759/OF/003 Version 3