



CODE OF ETHICS AND BUSINESS CONDUCT

Committed to Making the Right Choices

March, 2015

Dear DRS Colleagues:

A steadfast commitment to integrity is at the core of our culture at DRS. We must each ensure that all of our decisions and actions adhere to this important value so that we retain the trust of our customers, business partners and one another.

The DRS Code of Ethics & Business Conduct (the "Code") is a resource to help us navigate our way through ethical situations we may encounter. It establishes our expectations for appropriate business conduct in a variety of scenarios. The Code applies to all DRS employees, regardless of position, location or level of responsibility.

Earning a reputation for integrity means more than simply observing the letter of the law; it means doing what is right even when facing situations not clearly governed by a specific law, policy or regulation. Integrity is also doing the right thing when no one else is looking.

If you are confronted with an ethically ambiguous or unclear situation, it is important to seek advice from supervisors, managers, our legal department or other appropriate personnel.

Please read the Code and follow both the "spirit and the letter" of the important principles set forth therein. Acting with integrity must remain a way of life here at DRS. Our customers expect nothing less.

Sincerely,



William J. Lynn, III Chief
Executive Officer



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INTRODUCTION

Scope of this Code

The Board of Directors for DRS Technologies, Inc. has adopted this Code of Ethics and Business Conduct (the “Code”). The Code presents and explains the basic obligations and commitments required by all DRS personnel. It is DRS policy to comply with all applicable laws and regulations. This Code is a guide and resource, but does not attempt to provide comprehensive legal information on all business conduct issues that may occur. The Code is not intended to address every circumstance, nor is it a summary of all the laws, regulations and policies that apply to DRS and its employees. Employees are always expected to use their common sense and best judgment when addressing business conduct issues, and to seek guidance if the best course of action is not clear.

This Code applies to DRS businesses and subsidiaries worldwide and applies to its Board of Directors, the Chief Executive Officer, other Officers of the Company, full-time and part-time employees, as well as all affiliates controlled by DRS. Finally, all persons and entities representing DRS (such as consultants, agents, sales representatives, distributors, and independent contractors), shall agree in writing to follow all salient portions of this Code. Wherever applicable, those entities will be bound by the same provisions that apply to all DRS employees.

DRS Ethics and Business Conduct Office

The Ethics and Business Conduct Office implements and manages the Ethics and Business Conduct Program at DRS. The duties of this Office include providing guidance as well as advice regarding the Code, and answering any business ethics issues.

DRS Helpline: Toll free at 1-800-694-5005 or online at <http://drshelpline.com>

Regular Mail: DRS Ethics and Business Conduct
2345 Crystal Drive, Suite 1000
Arlington, VA 22202

Anyone who wishes to submit a concern or question to the Ethics and Business Conduct Office may do so by using the DRS Helpline 24/7 telephone service or the Helpline website. Please note that concerns or questions may be submitted anonymously. Regardless of whether the reporter discloses their identity, they will be provided with a PIN code, which they may use to review the investigation’s status. All reported violations of Company policy will be promptly investigated and treated confidentially to the extent reasonably possible. Additionally, employees may always raise an issue or question to their supervisor, a local Ethics Officer, Human Resources, or the Legal Department.

DRS Core Values and Commitments

DRS is committed to upholding its Core Values through this Code and its implementation. A business built on **integrity** creates bonds of trust that lead to strong and enduring relationships with customers, partners and other stakeholders, surrounding communities, and among employees. This is the way DRS chooses to conduct its business. DRS is also committed to **quality** as a core value, and sets high standards of performance for employees and external partners. DRS’s commitment to **customer focus** is demonstrated by the drive to go above and beyond to meet customer goals. **Diversity** is demonstrated by accepting the unconditional value that every human being has to offer in our global workplace. Finally, employees must seek to help coworkers, regardless of level or position, succeed through commitment to **leadership**.

The Code as a Reference Tool

Living up to the DRS Core Values means making and keeping commitments. This Code is divided into five (5) areas: commitment to the ethics program, commitment to global integrity, commitment to customers and suppliers, commitment to coworkers, and commitment to accuracy and proper use of assets.

Each topic covered provides an explanation of DRS's ethical position and expectations for employees, as well as information related to **What You Need to Know** and **Red Flags**. **What You Need to Know** highlights critical information and required employee actions. **Red Flags** identify common behaviors which may indicate a violation of the Code, and would therefore require an employee to seek guidance from (or report a concern to) their supervisor, the DRS Helpline, or a member of the DRS Legal Department.

COMMITMENT TO THE ETHICS PROGRAM

Annual Certification

Once a year all employees must confirm their commitment to the DRS Ethics Program, by providing a written certification they will adhere to the Code.

What you need to know:

Human Resources is responsible for obtaining a certification from all new employees as well as an annual certification from each current employee and maintaining these certifications for three (3) years. The certification shall be included with annual Ethics & Compliance Training.

Red Flags:

- Failure to review the Code and sign the Ethics Compliance Certification as required.
- Activity that may raise questions as to DRS's commitment to ethical standards.

Ethics and Compliance Training

DRS provides annual Ethics and Compliance training which educates employees about situations they may encounter. The training helps answer questions employees may have and also tests employees' understanding of the materials covered. This training provides employees with the opportunity to learn the best way to approach complex situations.

What you need to know:

All DRS business units must implement DRS Corporate Ethics Policies and Procedures as well as this Code, and make a copy of the Code available to each employee.

Red Flags:

- Failure to complete required training.

Employee Duty to Report

DRS employees have a duty to disclose potentially wrongful conduct, including violations of law or regulation.

What you need to know:

DRS employees must timely disclose credible evidence of any violation of the Code to a supervisor, the DRS Helpline, or a member of the Legal Department.

Red Flags:

- Failure to report wrongful conduct to a supervisor, the DRS Helpline, or the DRS Legal Department (to include violations of federal criminal law and the Civil False Claims Act, or overpayments by the U.S. Government).

Cooperation in Investigations

DRS is committed to conducting fair, thorough and timely investigations of alleged wrongdoing, including violations of law, Company policy, or this Code. It is the duty of every employee to cooperate fully in each such investigation, and to respond promptly, honestly and completely, with all requests for information, interviews or documents. In the event of an investigation by individuals outside of DRS, such cooperation must be provided by employees in coordination with and under the direction of the Legal Department.

What you need to know:

Every employee and consultant is expected to cooperate fully with any investigation of alleged violation of law, DRS's policies, or this Code. All employees who are involved in an official investigation shall treat all information and investigative details, to the level of confidentiality specified by the lead investigator and/or the Legal Department. Sharing information outside of an investigative interview may not only jeopardize the confidential nature of the process, but may also unfairly affect a fellow employee's reputation.

Red Flags:

- Thwarting or adversely impacting an investigation by intentionally concealing information or misrepresenting the facts in bad faith.
- Sharing of information regarding investigation facts or disposition beyond what is authorized by those conducting an official investigation.
- Purposefully avoiding an investigative interview by calling in sick or intentionally scheduling travel to conflict with an interview appointment.

No Retaliation

DRS is committed to protecting employees who, in good faith, report their concerns related to alleged improper or wrongful activity that may constitute a violation of DRS policy or applicable law or regulation. DRS is committed to preventing retaliatory conduct against any employee, who in good faith, has reported or provided information of potential wrongdoing. However, an employee who files a report or provides information known to be false or misleading may be subject to disciplinary action, up to and including termination of employment.

What you need to know:

Any employee, who in good faith, reports incidents of potential wrongdoing will be protected from retaliation, threats of retaliation, discharge, or other adverse action related to the terms and conditions of employment. No DRS employee may be adversely affected because they refused to carry out a directive which constitutes fraud or is a violation of applicable law or regulation.

Red Flags:

- Denial of professional development or professional opportunity after an employee reports a good faith concern of wrongful conduct.
- Ostracism from co-workers or colleagues; increase in the level of supervision or criticism after an employee reports a good faith concern of wrongful conduct.
- Involuntary transfer, disciplinary action or other adverse action taken against an employee who reports a good faith concern of wrongful conduct.

COMMITMENT TO GLOBAL INTEGRITY

Trade Compliance and Anti-boycott

It is critical that DRS employees be mindful of the need to comply with both U.S. laws and foreign laws governing DRS's business activities, including export and import laws and regulations. All DRS employees are responsible for understanding how export and import regulations impact their business function and ensuring compliance. Consult your local Trade Compliance representatives prior to interacting with foreign persons or exporting or importing technical information, products or materials.

Restrictions on exports apply to providing technical information in any form (including software), hardware, or services to foreign persons whether in the U.S. or abroad. Given that DRS interacts frequently with foreign employees, suppliers, customers, and potential customers, employees must ensure that they are not exposed to technical information, hardware, or services without prior authorization.

In addition, U.S. anti-boycott laws are designed to prevent U.S. companies, and their foreign subsidiaries, from cooperating with foreign boycotts of countries that are friendly to the U.S. and require that DRS diligently review inquiries and documentation from foreign entities, to ensure language restricting trade is not included or requested.

What you need to know:

Exports can occur in the U.S., as well as abroad. Interacting or exchanging information with foreign persons or in a public forum (including posting documents on the internet), presents an opportunity for export. Export restrictions apply to the public release of technical information, and shipping or hand carrying hardware or technical information to foreign persons or outside of the U.S.

U.S. export laws and regulations are extraterritorial, and accordingly can apply to foreign-made products that are based on U.S. technology or those that contain U.S. parts or components.

Exporting or importing products, services, or technology without appropriate authorization can result in substantial fines and penalties (both civil and criminal), for the Company and for individual employees, including the loss of export and import privileges, ineligibility to work on contracts for the U.S. Government, and incarceration.

Export classification, modification of an item, destination country, end-user, and end-use are factors that impact exportability.

Boycott-related requests may arise in a number of ways such as requests for information, quotes, proposal terms, purchase orders, letters of credit, emails, or meetings. Any such request must be reported to the U.S. Government, even if there is no intention to respond to the request.

Red Flags:

- A party to a transaction is identified on a U.S. Government list as subject to sanctions.
- A party to a transaction states that a controlled export does not require authorization, so long as the transfer occurs within the United States.
- The product's capabilities do not fit the buyer's line of business.
- The customer is unfamiliar with the product's performance characteristics, but still wants the product.
- The customer is reluctant to provide information regarding the proposed end user, or end use or is evasive as to whether the purchased product, service, or technology is for use domestically or abroad.
- Customer offers to pay cash for an expensive item that seems destined for use abroad.
- Delivery dates are vague, or the shipping route (or method) is abnormal for the product and destination.
- Failure to read all the terms and conditions of a tender or proposed contract, or failure to engage the Legal Department regarding a contract which includes boycott language.

*Refer to All Trade Compliance Policies to include **TCO-001**, Offshore Procurement; **TCO-031**, Compliance with Anti-boycott Regulations; **TCO-122**, Politically Sensitive Countries; **CON-020**, Compliance with Regulations on Restrictive Trade Practices;*

Anti-Corruption

DRS is committed to making decisions fairly on the basis of price, quality, performance and service, without using or submitting to improper practices. DRS personnel must conduct all business with integrity, ensuring that business decisions are free from corruption.

International anti-corruption laws prohibit the direct or indirect payments, offers, promises or giving of anything of value to foreign government officials, political parties, party officials, and candidates for public or political party office for any corrupt purpose, (including obtaining or retaining business, or any improper advantage). The U.S. Foreign Corrupt Practices Act (FCPA) applies to any U.S. company, (including employee work locations outside the U.S.), and can also apply to certain non-U.S. companies and employees. Other anti-corruption laws, such as the UK Bribery Act, may apply to DRS operations as well.

What you need to know:

Never give anything of value or make payments that attempt or appear to attempt to improperly influence U.S. or foreign Government officials or other parties to a business transaction. Although U.S. law may permit certain facilitating payments, DRS policy expressly prohibits any such payments. While bribes, kickbacks, and other payments made with corrupt intent are always prohibited, other payments such as political or charitable contributions may also be prohibited. When in doubt, confirm by asking a member of the DRS Legal Department.

Ensure that DRS contractors, vendors, consultants, distributors, third-party representatives, and other intermediaries are reputable and that they uphold all U.S. anti-corruption policies and laws, as well as the anti-corruption laws of any other applicable countries. In addition, note that in accordance with DRS policies, only vendors approved by the DRS Legal Department may represent DRS before any public official. Do not use third party intermediaries without approval from the DRS Legal Department.

Red Flags:

- Using agents, representatives, or other third parties to make (or offer to make) an improper or illegal payment.
- Concern that all or even part of a payment, cash, or other consideration may be passed on to a foreign government official, political party, party official, or candidate for public or political party office, in violation of law.
- Determining that third-party intermediaries lack suitable experience, qualifications, or references, or have high-risk third-party relationships or business partners (e.g., foreign officials on payroll, officials or close relatives who are foreign officials, or the employment of close relatives of foreign officials).
- Refusal of a third-party intermediary to complete the relevant compliance certification, or comply with the DRS Code of Ethics and Business Conduct, or any other DRS policy or procedure.
- Retaining any international distributor, reseller, or service provider without the notification and/or approval required by applicable DRS policy.

*Refer to Policies **CON-104**, Compliance with International Anti-Corruption Laws; **CON-022**, Compliance with U.S. Sanctions Regulations; **CON-020**, Compliance with Regulations on Restrictive Trade Practices; **EBC-003**, Restrictions on Gifts, Entertainment, or Business Courtesies; **EBC-004**, Restrictions on Offering Gifts and Political Contributions*

Bribes and Kickbacks

DRS never seeks to gain an advantage through the improper use of monetary gifts or other inducements, and no DRS employee may ever offer, solicit, or accept (either directly or indirectly) from a third-party, a bribe, kickback, or other payoff in connection with a transaction entered into by the Company. Knowing that a third party is engaging in this type of activity, even without direct involvement or support, and not reporting it is as bad as participating directly in the activity.

What you need to know:

Bribes, kickbacks, and payoffs include any money, fee, commission, asset, thing of value, or compensation of any kind that is provided, directly or indirectly, to anyone for the purpose of improperly obtaining or rewarding favorable treatment in connection with a business transaction.

Report any known or suspected activity related to bribes or kickbacks. Violations of this policy could result in the imposition of both criminal and civil penalties.

Red Flags:

- Offering anything of value to a contractor or customer in order to obtain favorable treatment.
- Soliciting a kickback.
- Receiving anything of value directly, or through a family member or other intermediary, from a subcontractor or supplier.
- Including the amount of a kickback in the contract price charged to the customer.
- Not including an anti-kickback clause in DRS subcontracts, as required.

*Refer to Policies **CON-005**, Commercial Bribes and Kickbacks; **CON-010**, Prevention of Collusive Bidding and Kickbacks; **EBC-003**, Restrictions on Gifts, Entertainment, or Business Courtesies; **EBC-004**, Restrictions on Offering Gifts and Political Contributions*

International Consultants, Sales Representatives, Intermediaries and Other Service Providers

It may be helpful (or necessary) to use third party intermediaries in the course of DRS business. However, DRS employees may never use consultants, contractors, or temporary help to circumvent any DRS procedures or policies. All third party intermediaries must comply with DRS policies, the DRS Code of Business Ethics and Conduct, the laws and regulations of the U.S. and, if applicable, any foreign countries in which they operate.

What you need to know:

When engaging consultants, contractors, or temporary workers, engage with the DRS Legal Department to assess their reputation for integrity and conduct appropriate due diligence.

Hold anyone representing DRS to a standard consistent with the Code and applicable policies, including the protection of DRS or customer trade secrets, and other information that is classified, proprietary, inside information, or otherwise capable of giving DRS (or another company) an unfair or illegal competitive advantage.

Ensure that any agreement allows DRS to terminate the agreement for default if a consultant, contractor, or temporary worker fails to abide by applicable laws, regulations, or DRS policies and procedures.

Red Flags:

- Refusal of consultants, contractors or other parties to complete required diligence or abide by the Code, applicable DRS policies or procedures, or applicable laws and regulations.
- Withholding certain information about promises made to third parties or aspects of the intended business relationship during the diligence review process.
- Requests for unusually large discounts, commissions, expenses, or other payments that appear excessive in relation to the service rendered, and requests for unusual structuring of the transaction or payments.
- Rumors of improper payments or other unethical practices by an intermediary.
- Using a consultant to perform work for DRS without verifying the absence of a conflict of interest.

*Refer to Policies **CON-102**, Intermediaries, Commercial Advisors and Sales Promoters; and **CON-104**, Compliance with International Corruption Laws; **EBC-003**, Restrictions on Gifts, Entertainment, or Business Courtesies; **EBC-004**, Restrictions on Offering Gifts and Political Contributions*

Anti-Money Laundering

Money laundering is the process of taking the proceeds of criminal activity and making them appear legal. Money laundering can facilitate crimes, such as fraud, drug trafficking and terrorism; it adversely impacts the global economy and it is illegal. DRS's Anti-Money Laundering Policy is designed to ensure compliance with all applicable laws and regulations related to money laundering and terrorist financing. All DRS personnel are obligated to comply with these policies, procedures and controls.

What you need to know:

Employees must ensure they are familiar with customers and their use of DRS products and services. If an employee's job requires more detailed knowledge of anti-money laundering, counter-terrorist financing, and sanctions rules, he or she should consult management to coordinate the completion of all necessary training.

Be alert to and report any unusual or suspicious activity to a Supervisor, the local Facility Security Officer, the Helpline, or a member of the DRS Legal Department.

Red Flags:

- Customers who provide insufficient or suspicious information that cannot be readily verified.
- Efforts to avoid recordkeeping or reporting requirements.
- Transfer of funds is requested to (or from) a financial secrecy haven, or to (or from) a higher-risk geographic location, without an apparent business reason or when the activity is inconsistent with the customer's business or history.

*Refer to Policies **CON-021**, **Compliance with U.S. Regulations on Money Laundering***

Political Contributions and Lobbying

Corporations are prohibited from making direct or indirect political contributions or expenditures, in connection with federal elections. DRS has properly established an employee funded Political Action Committee ("PAC"). Contributions to the PAC are strictly voluntary.

The lobbying of U.S. Government officials, including Congressional members and staff, and policy-making Government officials in the Executive Branch, is highly regulated. All such lobbying activity must have prior approval, in accordance with DRS policy.

What you need to know:

Most oral and written communications (and related preparation time), with "covered federal officials" for the purpose of influencing Government action constitutes "lobbying."

Be aware that attempts to influence covered federal officials about the following types of U.S. Governmental decisions may be subject to lobbying disclosure laws:

- The introduction or adoption of proposed federal rules, programs, policies, legislation or other Governmental positions.
- The administration or execution of federal contracts, programs, or policies.

DRS employees shall not use DRS funds, services, facilities, property, or other resources for political purposes (including election or campaign related) without prior written approval. Employees shall appropriately report all time dedicated toward engaging in lobbying activity.

DRS employee shall not be reimbursed (or otherwise compensated) in any manner, for making a political contribution or engaging in impermissible political activity.

Red Flags:

- Incomplete or inaccurate reporting of lobbying activities.
- Contacting Congressional members, staff, or policy-level Executive Branch officials concerning non-clerical matters without prior approval.
- Contacting any U.S. Government office or employee to influence awards (except communications necessary for the normal procurement processes) without prior approval.
- Retaining an outside person to lobby without proper approval.
- Using DRS's name, facilities, or personnel for political purposes (election or campaign related), for unauthorized PAC activities.
- Seeking reimbursement for political contributions or expenditures; bundling contributions of others by collecting and forwarding contribution checks to a campaign, or providing envelopes or postage with which to send contributions.

*Refer to Policies **WAS-001**, Coordination with Legislative Affairs; **EBC-006**, Government Relations, Political Activities and Lobbying; **EBC-003**, Restrictions on Gifts, Entertainment, or Business Courtesies; **EBC-004**, Restrictions on Offering Gifts and Political Contributions*

Antitrust and Fair Competition

We are committed to complying with the applicable antitrust laws in all of the countries in which DRS conducts business around the world. It is generally illegal to attempt or actually restrict competition through collusive behavior or through the abuse of market position. The misconduct of even one employee, can result in costly litigation, fines, or other penalties against DRS and all individuals involved.

What you need to know:

Never engage in price-fixing, bid-rigging, market divisions, misrepresenting or harassing a competitor, stealing trade secrets, bribery, kickbacks, or any practice which could give the perception of attempting to illegally restrict competition.

Perceived violations can be established by conversations with competitors regarding company confidential information, such as pricing, discounts, warranties, terms of sale, production volume, distribution methods, market share, or other sales information.

Recognize that antitrust laws apply to international activity that affects U.S. commerce. Learn and comply with the laws and regulations of all countries in which DRS conducts (or plans) business operations. . Additionally, remember that antitrust laws apply to government contracting activity and consider consulting with the Legal Department before discussing any commitments to bid (or not bid) with third parties on certain programs and/or share pricing information.

Immediately terminate and report to the DRS Legal Department any comments that could create illegal restriction of competition.

Red Flags:

- Discussing pricing strategy with competitors or suggesting that we discuss raising, lowering, maintaining, stabilizing or otherwise fixing prices or levels of output with competitors.
- Agreeing with competitors to control production volume, product development, or market divisions.
- Having improper discussions with teaming partners or competitors concerning proposal intentions, territory, pricing or similar issues.

*Refer to Policies **LEG-003-0110**, Antitrust; **CON-010**, Prevention of Collusive Bidding and Kickbacks*

Insider Trading

U.S. laws prohibit the buying or selling of securities (such as stocks and bonds), based on material information that is not yet available to the public. It gives insiders an unfair advantage and can misrepresent market value.

What you need to know:

Do not trade in securities of any company based on non-public information.

Do not disclose non-public information to spouses, family members, friends, or others who might trade on the basis of such information or pass the information along to others.

Information related to material non-public transactions or events should not be discussed in public places such as elevators, restaurants, or airports.

Red Flags:

- Trading in the stock of another company (including Leonardo), based on information disclosed in a private presentation made to DRS, regardless of whether DRS chooses to do business with that company.
- Purchasing the stock of another company with whom DRS is about to announce a major transaction or relationship.
- Trading in securities just before the announcement of a significant event.
- Friends or family of employers, officers, directors, contractors, customers, or vendors who achieve financial gain through trading securities, just prior to major announcements or earnings releases.

Human Rights

DRS's commitment to integrity and human rights are evident through the actions and behaviors of the workforce. DRS is committed to integrity and good citizenship, including the protection and advancement of human rights. DRS respects human rights as a fundamental principle, as set forth in the United Nations Universal Declaration of Human Rights. DRS expects its employees (as well as its suppliers), to acknowledge and honor fundamental human rights. DRS expressly prohibits any business unit (or supplier) from using forced labor of any kind. DRS also expressly prohibits slavery or human trafficking in any form.

What you need to know:

Treat all people with respect and dignity; encourage diversity and diverse opinions.
Promote equal opportunity for all and help create a culture of respect and dignity.
Report use of child or forced labor.

Red Flags:

- Evidence employees of a Supplier are being controlled, or have an inability to move or leave their job.
- Supplier employees do not have a passport or other identifying documentation.

Refer to Policy CON-002, Combating Trafficking in Persons

Pollution Prevention and Sustainability

DRS understands its duty to sustain the environment and create a balance between the company's activities and environmental protection. DRS is committed to reducing its environmental footprint, and in particular its energy consumption, water use, water discharge, and waste generation. Wherever possible, DRS maximizes recycling and reuse of materials, making energy conservation a priority. DRS seeks to incorporate environmental protection into the life cycle design of products, processes, and facilities.

What you need to know:

All DRS operations shall be managed and operated in compliance with applicable environmental laws and regulations.
Employees should always recycle and reuse materials when possible.
Consider whether the facility is a good candidate for automated lighting controls to reduce CO₂ emissions.

Red Flags:

- Employees are unaware of, or unable to identify their Environmental, Health, and Safety Coordinator.
- Environmental Incident Reports are not prepared or submitted appropriately.
- Management does not set aside the proper funds (or time) for adequate training.

Refer to Policy EHS-001, Environmental Health and Safety

COMMITMENT TO CUSTOMERS AND SUPPLIERS

Producing Quality Products

The quality of our products ultimately dictates whether customers will continue to award business to DRS. DRS employees must be committed to superior performance in individual roles, to ensure the delivery of quality products to all customers.

What you need to know:

DRS has the responsibility to design, manufacture, and deliver quality products. All required inspection and testing operations must be completed properly.

Red Flags:

- Failure by any employee to follow the quality procedures established by the business.
- Failure of an employee to report a deviation from quality procedures.
- Failure of management to address a quality complaint raised internally or by a customer.

*Refer to Policies **CON-013**, Product Substitution; **CON-028**, Conflict Minerals; **EHS-001**, Environmental Health and Safety*

Gifts, Entertainment and Business Courtesies

DRS is committed to competing solely on the merits of its products and services. DRS employees shall avoid engaging in any behavior which may result in even the appearance of impropriety or unfair advantage. It is DRS's policy to comply with all statutory and regulatory requirements related to prohibitions against offering or accepting gifts, entertainment, or business courtesies.

What you need to know:

Be aware of the unique laws and regulations related to offering or providing items of value to government officials. This includes employees of the U.S. Executive and Legislative Branches, the Department of Defense, the military services, civilian agencies, Congress, and federal departments. Know and comply with the Foreign Corrupt Practices Act (which relates to foreign government officials) and all applicable country, state, and local laws before offering or providing gifts, entertainment, or business courtesies.

DRS employees responsible for procurement, purchasing, and supply chain activities may never offer (or provide) a vendor (or supplier) with a gift or entertainment of any value nor shall they ever accept a gift or entertainment of any value from a vendor or supplier. Other DRS employees involved with procurement decisions may not accept a gift or entertainment of any value, during the period of such procurement activity. Make sure permissible gifts are open, transparent, and reasonable under the circumstances.

Red Flags:

- Offering or providing gifts, entertainment, or business courtesies to U.S. Government Executive or Legislative Branch personnel.
- Offering gifts, entertainment or business courtesies to foreign officials (or to potential customers) in excess of those permitted by DRS policy or applicable law.
- Permitting consultants, representatives, or others to act on DRS's behalf to offer gifts, entertainment, or business courtesies to foreign officials or to potential customers, in excess of those permitted by DRS policy or applicable law.
- Soliciting gifts, entertainment, favors, or personal discounts on services.

*Refer to Policies **EBC-003**, Restrictions on Gifts, Entertainment, or Business Courtesies; **EBC-004**, Restrictions on Offering Gifts and Political Contributions; **EBC-006**, Government Relations, Political Activities and Lobbying*

Customer Property

Customer furnished equipment and property is for business purposes only. Employees must ensure they know and abide by contract requirements associated with the management and handling of customer furnished property.

What you need to know:

All government owned (or customer furnished) property must be managed and handled in accordance with the related contract requirements.

Do not discard or disposition government owned (or customer furnished) property without the customer's consent.

Take good care of any government or customer property in DRS's possession or control.

Red Flags:

- Theft, damage or misuse of customer or government property.
- Removing or altering customer or government property from DRS or customer premises, without proper authorization.

*Refer to Policies **CON-014**, Government Property; **HR2014**, Property Control*

Government Contracting

As a supplier to the U.S. Government, we have a special obligation to our U.S. Government customers and the public. There are various laws and regulations which control how DRS conducts business with our U.S. Government customers. Many of these laws deal with topics summarized below, and are covered in detail in the DRS policies related to suspended and debarred entities, false claims and false statements, procurement integrity, hiring former government employees, protecting data rights, organizational conflicts of interest, and truth in negotiations.

What you need to know:

Never take a chance with compliance. Be aware of applicable laws, regulations and rules for U.S. Government contractors and subcontractors as well as all applicable DRS policies. Remember the DRS Legal Department is the best source of information for employees on U.S. Government laws and regulations.

Violations may result in criminal sanctions, civil penalties, loss of contracts, and/or lawsuits. Procurement integrity rules apply to all aspects of selling to the U.S. Government, including marketing, proposals, and contract performance. Violation of these rules may result in enforcement action against the Company and its employees, including criminal sanctions and exclusion from future government contract competition.

Never seek to obtain (or use), any non-public information such as U.S. Government source selection information relating to programs that are being pursued, including U.S. Government evaluations or rankings of competitive proposals, trade secrets or other competition sensitive information of our competitors, cost, or pricing data, indirect rate information, or proprietary solutions contained in competitors' proposals. Abide by DRS procedures and rules applicable to control, protection, preservation, and maintenance of U.S. Government property in the possession or control of DRS or its subcontractors.

Carefully review each new DRS contract. Identify and adhere strictly to all contract requirements. Comply with all relevant DRS policies, including those related to the following topics:

- **Suspended and Debarred Entities**
DRS shall not knowingly employ an individual nor contract with a company, by any means, if the individual or company is on the General Services Administration's (GSA) Consolidated List of Debarred, Suspended, and Ineligible Contractors, the Office of Foreign Asset Control's (OFAC's) "Specifically Designated" list of nationals or persons who are subject to trade restrictions, nor knowingly employ an individual who has been convicted of an offense related to government contracting. *Refer to DRS Policy CON-019, Denied Restricted Parties Screening*
- **False Claims and False Statements**
DRS employees shall not knowingly make a false claim or false statement to the U.S. Government. Violations of the False Claims Act or other applicable statutes can subject the Company to negative publicity, litigation, revocation of contracts, fines, suspension, and debarment. Violations may subject individual employees to disciplinary action up to and including termination of employment, as well as potential civil and criminal sanctions including fines, debarment or suspension, and prison sentences. *Refer to DRS Policy CON-011, Prevention of False Claims and False Statements*
- **Former Government Employees**
DRS shall abide by the special laws and regulations that apply to hiring or retaining a U.S. Government or former U.S. Government employee as a DRS employee, consultant or independent contractor. There are restraints upon any communication concerning the possibility of employment of government employees who are designated as "procurement officials," as well as restrictions relating to the tasks and work assignments that former U.S. Government personnel may perform. These employment restrictions can be complex and require the involvement and coordination among several DRS functional areas such as legal, human resources, and ethics. *Refer to DRS*

Policy CON-007, Procurement Integrity; and EBC-005, Employment Discussions with and Hiring U.S. Government Personnel

- **Protecting Data Rights**

The U.S. Government, through the FAR and DFARS, is very proscriptive about the use of markings related to the protection of intellectual property. Inappropriate or omitted markings may cause DRS to surrender or otherwise lose rights to which it would be entitled with proper markings. *Refer to DRS Policy LEG-005, Intellectual Property Policy; and the DRS Intellectual Property Manual*

- **Organizational Conflicts of Interest**

Federal law may limit the ability of the Company to pursue a U.S. Government contract where DRS has previously assisted the U.S. Government with defining the scope of work, the subject matter of the procurement, or has had access to competitively sensitive information. Such assistance or access can create an Organizational Conflict of Interest (OCI). *Refer to DRS Policy CON-015, Organizational Conflicts of Interest*

- **Truth in Negotiations**

DRS must comply fully with the Truth in Negotiations Act (TINA) in accordance with its U.S. Government contracts. The purpose of TINA is to give the U.S. Government a means of effectively negotiating a fair and reasonable price. It requires disclosure of cost or pricing data to the government designated representative, and certification that such data is accurate, complete, and current for negotiated procurements requiring TINA certification as of a mutually agreed-to date. In cases where DRS is a subcontractor, it is DRS policy to provide DRS proprietary cost or pricing data directly to the government rather than to the prime contractor. *Refer to DRS Policy CON-003, Updating Cost or Pricing Data for Definitizing a Negotiated Procurement (TINA Policy)*

Managing Classified Information

Government information that is classified, procurement sensitive, or marked with a limited distribution statement (such as FOUO, SBU, UCTI, ITAR/EAR, etc.) shall not be solicited, accepted from, or provided to any source (either directly or indirectly), under circumstances where there is reason to believe that the release is unauthorized.

What you need to know:

Classified information in DRS's possession shall be treated in strict compliance with U.S. Government mandated procedures for such classified information. An employee's work area and his/her belongings in DRS facilities are subject to search, pursuant to DRS policy and the NISPOM. The failure to submit to such a search may result in disciplinary action, up to and including termination of employment.

Employees should immediately contact their local Facility Security Officer with any concerns related to the potential unauthorized disclosure of classified information.

Red Flags:

- Comments or discussion related to the cleared status of an employee when there is no "need-to-know," or when the discussion occurs outside of the normal course of business.
- Use of cameras (including cell phones with embedded cameras) in restricted areas, where such devices are not permitted.
- Failure to report a suspicious contact, the compromise (or potential compromise) of classified material or the discovery of any unattended and unsecured classified materials, either in hardcopy or on an unclassified system.

Refer to Policies SEC-003, Visitor Control Policy; SEC-004, Electronic Communications Plan; SEC-005, Technology Control Plan; NISPOM, DoD 5220.22-M

Proxy Compliance

As a wholly owned subsidiary of Leonardo, which itself is partially owned by the Italian Government, DRS is subject to U.S. Government restrictions on Foreign Ownership, Control or Influence (“FOCI”). DRS entered into a Proxy Agreement with the U.S. Government to mitigate the risks associated with FOCI and allow it to maintain its security clearance and compete and perform on classified programs. Accordingly, DRS employees must fully adhere to our established security measures. This includes ensuring all communications with Leonardo are properly approved and documented. For example, a Request for Interaction (“RFI”) form must be submitted and approved prior to all in-person meetings between DRS and Leonardo representatives as well as “Data Sharing Events” where information will be transferred outside the Company’s firewall by means other than email (utilizing secure file transfer sites or other web portals). Other electronic interactions, such as email, may not require pre-approval, but are subject to monitoring by the Security Department.

What you need to know:

Operating under the Proxy Agreement allows DRS and its operating subsidiaries to receive U.S. Government contract awards and perform classified work as any other cleared defense contractor within the National Industrial Security Program (“NISP”).

Proactively communicate with the Security and Trade Departments to ensure compliance and facilitate approved interactions with Leonardo representatives.

All electronic communications are subject to audit and review by the designated Facility Security Officer (“FSO”) or authorized Security personnel and subject to verification by Trade when export authorization is required.

Red Flags:

- Failure to document all interactions and provide records promptly.
- Failure to report any inappropriate request for Controlled Unclassified Information (“CUI”).

*Refer to Policies **SEC-003**, Visitor Control Policy; **SEC-004**, Electronic Communications Plan; **SEC-005**, Technology Control Plan*

Code Provisions Applicable to Suppliers

To the extent possible, each DRS supplier shall be contractually bound to the commitments of this Code. Where a supplier maintains a Code of Ethics and Business Conduct with similar commitments, the supplier may instead comply with their own Code.

What you need to know:

In furtherance of certain covered U.S. Government prime contracts, DRS shall ensure the substance of clause FAR 52.203-13 (Contractor Code of Business Ethics and Conduct) is inserted into applicable covered subcontracts.

When appropriate, Employees should utilize DRS model terms and conditions in conjunction with appropriate DRS FAR Supplements for all purchase orders and subcontracts ensuring appropriate contractual requirements.

Red Flags:

- Rumors of unethical practices by any DRS supplier.
- Failure to flow down the substance of clause FAR 52.203-13 for certain covered purchase orders and subcontracts.

Refer to FAR 52.203-13; DRS General Purchase Order Terms & Conditions; Supplement 1 - Federal Acquisition Regulation (FAR) Government Contract Provisions (2014); Supplement 2 – DoD FAR Supplement (DFARS) Government Contract Provisions (2014)

COMMITMENT TO CO-WORKERS

Non-Discrimination

Employment at DRS is based solely upon individual merit and qualifications directly related to professional competence. A diverse workforce of individuals with different backgrounds, experience, perspectives, and talents creates a more productive, reliable, innovative, and competitive global company. DRS is committed to maintaining a discrimination-free workplace where employees are valued for their character, skills, and commitment and are rewarded on the basis of their contributions.

What you need to know:

Make all employment decisions on the basis of job qualifications, education, prior experience, and merit without regard to race, color, religion, national origin, veteran status, ancestry, pregnancy status, sex, gender identity or expression, sexual orientation, age, mental or physical disability, or other personal characteristics protected by law.

Create a positive work environment where every individual is appreciated for his or her contributions. Treat all individuals who are encountered throughout the course of doing business with dignity, respect, and fairness.

Comply with equal opportunity laws to fairly recruit, hire, and promote qualified minorities, women, individuals with disabilities, and protected veterans.

Red Flags:

- Unfair treatment of employees based on personal characteristics protected by law.
- A non-diverse workforce when the pool of potential qualified workers is significantly more diverse.
- Division of responsibilities (or exclusion of qualified individuals from Company activities) based on personal, non-job related characteristics protected by law.

*Refer to Policies **HR1001**, Equal Employment Opportunity and Affirmative Action; **HR1002**, Sexual and Other Unlawful Harassment*

Non-Harassment

DRS does not tolerate harassment of its employees on the basis of race, color, religion, national origin, veteran status, ancestry, pregnancy status, sex, gender identity or expression, sexual orientation, age, mental or physical disability, or other personal characteristics protected by law. Every employee of DRS is entitled to be treated with respect, and to be free from conduct that is offensive, hostile, or intimidating.

What you need to know:

Avoid inappropriate actions, comments, or images that create a hostile or offensive work environment. Do not verbally, visually or physically degrade, intimidate, or threaten other DRS employees, customers, contractors, vendors, suppliers or competitors.

Do not participate in, condone, or tolerate jokes, materials, comments, or actions that may ridicule or offend others.

Do not tolerate or engage in sexual harassment, which includes making or receiving unwelcome advances or physical contact, or the threat or promise of employment actions based on the refusal or the granting of sexual favors.

Red Flags:

- Abusing the dignity of a person through unwelcome or inappropriate teasing, epithets, or derogatory comments.
- Tolerance by supervisors of offensive, inappropriate, or derogatory remarks or behavior, while in the workplace or otherwise representing DRS.
- Use of foul language, threats, bullying, and other behavior found intimidating or threatening by others.
- Observation or display of pornography.
- Unwelcome sexual advances or physical contact.

*Refer to Policies **HR1002**, Sexual and Other Unlawful Harassment; **HR2006**, Violence and Threats of Violence in the Workplace; **SEC-006**, Workplace Violence Program; **SEC-007**, Weapons in the Workplace; **SEC-008**, Workplace Searches*

Environmental Health and Workplace Safety

Protecting employee and public health and safety is of utmost importance. DRS seeks to provide a safe workplace. We expect employees to comply with all federal, state, and local health and safety rules and regulations. Employees must be alert to and report all potentially dangerous conditions and take safety precautions as needed to prevent injury. Report any unsafe conditions or any injuries immediately. DRS expects every employee to set an example by complying with safety rules and maintaining a safe work environment.

What you need to know:

Take responsibility for your individual workspace. Be alert to and, where possible, immediately correct unsafe practices or conditions.

Report all accidents to a supervisor (or the local safety representative), no matter how minor; reporting a minor injury may prevent a more serious accident.

Report threats of violence, stalking, suicide threats, or domestic violence affecting the workplace to appropriate management, Human Resources or Security.

Maintain a safe work environment, minimize the environmental impact of our operations, maximize the efficiencies of our products, and reduce wastes, emissions, energy consumption, and the use of materials of concern.

Ensure the reports are accurate and complete if a transaction requires environmental, health, or safety records.

Red Flags:

- Failure to use protective equipment or follow safety guidelines to include compliance with safety controls and required emergency systems.
- Failure to report accidents or injuries, or failure of management to respond appropriately.
- Employees who exhibit paranoid or incoherent statements.
- Belligerent, abusive behavior, or verbal threats.
- Display of a weapon on company property.
- Improper labeling, shipping, transportation or disposal of hazardous products, chemicals or materials.

*Refer to Policies **HR2011**, General Safety and Health; **EHS-001**, Environmental Health and Safety; **SEC-006**, Workplace Violence Program; **SEC-007**, Weapons in the Workplace; **SEC-008**, Workplace Searches*

Healthy and Drug Free Work Environment

DRS seeks to fully comply with the Drug-Free Workplace Act of 1988, which was enacted with the goal of combating drugs use in America. DRS is a drug-free workplace and employees may not be at work while under the influence of alcohol, illegal drugs, or in an impaired condition from any substance. Substance abuse not only affects the impaired employee, but also threatens the health and safety of other employees as well as the quality of work product. DRS employees should be alert to and report all potentially dangerous conditions, and take safety precautions as needed to prevent injury.

What you need to know:

Possession, use, sale, distribution, or manufacturing of illegal substances during Company time, on Company property, or at Company-sponsored events is prohibited. Submission to drug and alcohol screening tests can be required pursuant to DRS policy.

Be aware of the side effects of prescription and over the counter drugs that could impact product quality or workplace safety. DRS may hold employees accountable for certain conduct when consuming alcohol or prescription drugs off-premises and after normal business hours, to include breaching confidentiality or revealing DRS confidential information.

Red Flags:

- Unauthorized use of alcoholic beverages or inappropriate behavior at a Company-sponsored event, or on Company premises.
- Any use of illegal drugs or improper use of prescribed medication; being under the influence of such drugs or medication, on Company property, at Company-sponsored events or while transacting Company business.
- Consistent difficulty meeting deadlines, alternating periods of high and low efficiency, unrealistic excuses for lowered work quality, increased absenteeism, and conflict with co-workers.

Refer to Policy HR2005, Substance Abuse Prevention

Fiduciary Duties and Avoiding Personal Conflicts of Interest

Every DRS employee has a fiduciary duty to DRS, which means every employee has a duty to place the interests of DRS above personal interests in any situation where there may be a conflict. DRS's greatest assets are the knowledge, ingenuity, and productivity of its employees. DRS and each individual employee benefits most from such assets, when employees perform their work with the highest degree of loyalty.

All DRS employees must commit to conducting business affairs in a manner that does not conflict with the Company's interests. A conflict of interest occurs when there is a personal or financial interest that influences, or appears to influence, an employee's ability to devote their full efforts to DRS or make fair and objective business decisions that are in the best interest of DRS. All DRS employees shall refrain from taking action in situations where a close relationship or personal interest may interfere (or conflict) with the interests of DRS.

What you need to know:

Avoid or disclose any actual (or potential) financial interests, employment, or personal relationships that may conflict with your ability to act in the best interest of the Company, or that may appear to cast doubt on your ability to act objectively.

Disclose to Group Counsel or the General Counsel in writing on the "DRS Request for Conflict of Interest Determination" form available on the DRS Intranet, any potential conflict of interest as described in DRS

policy, including but not limited to, the following:

- Your family member (or other close personal relationship) is employed by, or acting as a consultant to, a DRS competitor, potential competitor, supplier, or contractor or is in any position to provide or receive benefits to or from DRS.
- Financial interests in any organization which could benefit from your position with DRS.
- Holding more than a 5% financial interest in any company that competes with DRS.
- Plans to engage in outside employment, including consulting, advisory or part-time employment, with actual or potential competitors, suppliers, or customers.

If it is determined that a conflict of interest exists, employees may (in coordination with the Legal Department) remove themselves from a conflict position, or submit the appropriate Conflicts of Interest Determination Form, and receive express approval from the DRS Legal Department. Any waivers to the policy granted to DRS Officers, must be made by the Board of Directors.

Obtain approval from the DRS Legal Department before accepting a position as an officer or director of any outside company. Positions of responsibility with civic, charitable, or non-profit organizations shall be reported in writing to the Ethics and Business Conduct Office.

Avoid situations where employees could be influenced to act out of personal gain, or not in the best interests of DRS.

Employees shall not use DRS resources in a way that would benefit their personal financial situation, or that of a second employer, family member, or friend, to the detriment of the Company.

Red Flags:

- Not disclosing all potential conflicts of interest to HR at the beginning of your employment/business relationship with DRS, or to the DRS Legal Department as soon as the cause for a potential conflict of interest arises during your employment/business relationship with DRS.
- Hiring, promoting, or supervising a family member without proper written approval, or failing to disclose the fact that a family member or close personal friend works for DRS in a position where the relationship has the potential to result in unfair treatment.
- Owning an interest in a business that is seeking to do business with DRS.
- Engaging in employment (or self-employment) that is likely to require you to be unable to fulfill your DRS work without interruption or distraction.
- Accepting gifts or discounts offered by actual (or potential) competitors, suppliers, vendors, or customers, especially when the individual is in a position to influence their relationship with DRS.
- Improper use of an opportunity (or information obtained through an employee's position within the Company) to achieve personal gain.
- Failing to disclose that a family member works for competitors, suppliers, vendors or customers.
- Awarding (or recommending to award) business contracts to companies owned (or managed) by family.

*Refer to Policy **EBC-002, Personal Conflicts of Interest; Personal Conflicts of Interest Questionnaire; Personal Conflicts of Interest Determination Form for Current Employees***

Protecting Personal Information

DRS respects the privacy of all individuals, and takes necessary precautions to protect personal information. Personal information includes an employee's name, address, phone number, credit card number, salary, social security number, date of birth, or any other similar information which is unique to the employee. Keeping personal information secure at all times is fundamental to remaining a trusted business partner and employer.

What you need to know:

Only employees who are authorized and have a need to know should have access to employee personal information.

Employees with access to personal information should never provide personal information to former or non-employees without proper authorization.

If unsure, employees with access to personal information should always confirm the appropriateness of a request for personal information with the Legal Department prior to releasing the personal information. In the event that personal information is inadvertently disclosed, DRS may have a legal obligation to notify the individuals whose information may have been compromised. Notify the Legal Department immediately upon discovery of any evidence that disclosure of personal information may have occurred.

Red Flags:

- Any unauthorized request by current, former, or non-employees for employee names, addresses, phone numbers, credit card number, salary, social security number, date of birth or any other personal information.
- Failure to report an unauthorized or accidental disclosure of personal information to a supervisor, Human Resources or a member of the Legal Department.

*Refer to Policy **HR2008**, Access to Employee Personnel Records or Information*

COMMITMENT TO ACCURACY AND PROPER USE OF ASSETS

Accurate Books and Records

DRS is committed to maintaining complete and accurate records, as it is essential for good decision-making and maintaining public and customer confidence in DRS. This commitment will also help mitigate any liability associated with violations of the Foreign Corrupt Practices Act, as well as the False Claims Act, which are covered in this Code in greater detail in the previous sections. Employees involved in preparing, processing, and recording information are responsible for its accuracy.

What you need to know:

Maintain and submit complete, accurate, and timely records, including timekeeping, expenses, revenues, test results, safety reports, production data, purchase orders, receipts, invoices, budget proposals, economic evaluations, financial reports, sales reports, expense reports, and other similar data.

Follow guidelines and policies established by the Finance and Legal Departments for approving payments, reporting formats and record retention.

Red Flags:

- False entries, altered documents, or documents signed by someone without proper authority.
- Secret or unrecorded cash funds or other assets.
- Reported results, time cards, or expense reports which do not match actual performance, labor hours, or expenses.
- Rationalizing or covering up misrepresented facts.

Refer to Ethics and Business Conduct Policy related to Accurate Books and Records

Communications

DRS is committed to being truthful and accurate in all of its public disclosures. DRS commonly executes agreements with customers, teammates, and suppliers which can prevent the Company from sharing certain information publicly. There are also civil and criminal penalties (both for DRS and involved personnel) associated with making false, fraudulent, or misleading statements to the Government and others with whom we communicate.

What you need to know:

Only a limited number of public spokespersons are authorized to make public statements to the news media or providing information related to DRS business, or comment on any plans or customer business activities. Obtain approval from the appropriate DRS official before making external communications regarding business plans, performance prospects, management changes, acquisitions or dispositions of assets, or other material events. Email correspondence intended for internal DRS communications should never be disseminated outside of DRS.

Do not attempt to answer questions from someone outside of DRS unless authorized to do so. Refer all persons to the appropriate department as follows:

- Corporate Communication Office - advertising or marketing materials, endorsements, websites, press releases, interviews, or other public comments to the news media.
- The Legal Department - attorneys or government officials (except routine inquiries from government customers).

Red Flags:

- Speaking to the public or making statements to the media, including newspapers, magazines, radio, TV, internet websites, blogs and chat rooms, about or on behalf of DRS without prior approval of an authorized Company official.
- Distributing email communications, advertisements, promotional materials, publications, financial information or other statements without prior approval.
- Altering, substituting or sublicensing logos or trademarks without prior approval.

*Refer to Ethics and Business Conduct Policy related to Communications; **SEC-021, Social Media***

Company Property

Company property is for business purposes only. Use good judgment and common sense when using Company property, including communication systems, information resources, material, facilities, and equipment. Secure Company property when not in use to avoid waste, theft, destruction, or misuse.

Computers, software, e-mail, voice mail, and other electronic means of communication are intended for Company business. Information transmitted, received, or stored on or by DRS electronic and telephonic communications systems is Company property.

Employees should never connect non-DRS owned computing devices to the DRS internal network.

Employees are strongly discouraged from accessing personal e-mail or social networking sites, and are required to use appropriate care to avoid introducing malicious content onto the DRS network or assets.

What you need to know:

Protect all Company owned or leased property and equipment, including tangible assets (such as money, inventory, tools, supplies, documents, electronic data and vehicles) as well as intangible assets (such as plans, trade secrets, computer programs, personnel and business information and other proprietary information).

Proprietary information developed or learned as part of a DRS employee's job, is also property that should be protected. The unauthorized use or disclosure of proprietary information could diminish its value to the Company, and/or provide an unfair advantage to others.

Limit any personal use of Company property to reasonable, incidental use that does not adversely impact the Company's reputation, cause significant additional cost, or interfere with or affect an employee's job performance (or that of any other person or organization).

Never use Company property or assets to support a personal activity, business, consulting, or similar private venture. Employee's use of Company property or assets should never cause DRS significant additional cost, or cause the Company unnecessary risk.

Employees must return all Company documents, records, and property in their possession upon termination of employment with DRS.

Be aware that DRS may access and/or disclose the contents of electronic or telephonic communications and computer or e-mail accounts with or without notice.

Red Flags:

- Borrowing, giving away, loaning, selling, or otherwise disposing of Company property without specific authorization, regardless of condition.
- Theft, damage, or misuse of Company property.
- Removing Company property from DRS or customer premises without proper authorization.
- Using Company electronic devices or computer accounts to support a personal activity, business, consulting, or similar private venture.

*Refer to Policies **SEC-011**, IT Acceptable Use; **SEC-021**, Social Media; **HR-2016**, Use of Computers and Electronic Services; **EBC-002**, Personal Conflicts of Interest*

Intellectual Property and Proprietary Information

Proprietary Information is competitively valuable information which is not generally available to the public (e.g., financial, marketing, strategic information) and is often referred to as confidential. It may be stored in electronic or print form, or in the minds of DRS employees. DRS employees must always seek to protect Proprietary Information, and typically do so by way of contractual agreements such as Non-Disclosure or Proprietary Information Agreements.

Some Proprietary Information is also Intellectual Property (e.g., ideas, discoveries, inventions) which may qualify for legal protection such as a patent, trade secret, trademark, or copyright. Intellectual Property is among our most valuable and unique assets. All DRS employees and contractors have an obligation to protect DRS Proprietary Information during and after their employment/business relationship with DRS. Proprietary Information can be written, oral, telephonic, or electronic and includes a wide variety of data, including, but not limited to, designs, drawings, specifications, models, diagrams, know-how, business strategies, customer lists, customer preferences, and personnel information. If unsure as to whether certain information is proprietary, the best practice is to assume that all personal information and all information about the Company and its business (including past, present, and prospective technologies, plans, practices, customers, business partners, suppliers, directors, and employees) is Proprietary Information, unless the contrary is clear.

As noted previously in this Code, the U.S. Government, through the FAR and DFARS, is very proscriptive about the use of markings and reporting of inventions conceived as part of work performed for the Government. Inappropriate or omitted markings and/or the failure to report any inventions during contract performance may cause DRS to surrender or otherwise lose rights to which it would be entitled with proper markings or reporting.

Trust is essential to our business success. Customers, suppliers and companies with whom we do business trust us to be good stewards of their Proprietary Information, whether that information relates to financial, personal or business matters. In short, we treat third party Proprietary Information just as securely as we hold our own Proprietary Information.

What you need to know:

Be familiar with the DRS Policies and Guidelines related to Proprietary Information and Intellectual Property. Identify new and existing Intellectual Property and then promptly prepare and submit appropriate disclosure information to the Legal Department in accordance with the DRS Intellectual Property Policy (using the Invention Disclosure Form as required).

Disclose DRS information (including Proprietary Information) only in accordance with Non-Disclosure and Proprietary Information Agreements, as well as the Employee Confidentiality and Inventions Agreement signed by all employees. If no contractual arrangement is in place, disclose Proprietary Information only after receiving guidance from the Legal Department. Employees have a duty to protect Proprietary

Information as they would their own personal information and to take precautions before sharing it with anyone inside or outside of the workplace. This duty continues even after the employment/business relationship with DRS ends.

Properly dispose of Intellectual Property and Proprietary Information in accordance with the DRS Record Retention Policy. Ensure the IT Department completely deletes all such information from computers to be redeployed, donated, or sold.

Do not send internal communications (including intranet postings) outside the Company without authorization.

Red Flags:

- Not completing appropriate disclosures promptly and informing the Company about inventions conceived during employment (or the business relationship) with DRS.
- Failure to properly mark Proprietary Information.
- Sending business confidential or personal information to former employees, or retaining files or other non-public information from a former customer or employer, in violation of certain obligations or post-employment restrictions.
- Using DRS information to benefit an employee personally (or a third party), or enabling or permitting others to do so.
- Failing to protect passwords or storing sensitive information on unsecured computers, or removing Proprietary Information from DRS premises without permission.
- Sharing Proprietary Information with friends or family, or in public places where others can hear. Providing access or use of Proprietary Information to fellow employees, who are not involved in providing services to the owner of the information without authorization.
- Personal use of Company proprietary, trademarked, or licensed software.
- Copying data stored on DRS owned devices, to non-DRS owned devices.
- Accepting or using Proprietary Information or Intellectual Property from others without written agreement.

*Refer to Policy **LEG-005, Intellectual Property; DRS Intellectual Property Manual and Handbook; SEC-011, DRS IT Acceptable Use Policy***

Labor Charging / Timekeeping

Proper labor charging is critical to doing business on U.S. Government contracts. Labor mischarging may distort proper cost allocations and historical data. Mischarging may result in criminal and civil penalties, and contract or administrative actions against a contractor as well as individual employees.

What you need to know:

Abide by U.S. Government and contractual requirements establishing standards for labor charging under the Federal Acquisition Regulation (FAR) Part 31, and company policy.

Employees must record and charge time daily, accurately, completely, and comply with applicable rules and contract requirements.

Contractors may be subject to comprehensive audits of labor charging, including employee time cards, by the Defense Contract Audit Agency (DCAA) or other U.S. Government agencies.

Red Flags:

- Charging labor costs to incorrect accounts or contracts, such as charging time to a cost reimbursement contract for time actually spent on a fixed-price contract.
- Not recording or charging actual time spent on a project.
- Recording or charging more time on a project than actually worked.
- Requiring employees to sign time cards prior to the end of the work period with time filled in by the supervisor.
- Transferring labor costs without written justification between contracts, U.S. Government and commercial work, fixed price and cost reimbursement contracts, or direct and indirect accounts.

Refer to Ethics and Business Conduct Accurate Books and Records Policy; FIN-16.4, Labor Charging

Record Retention

Certain corporate records must be retained for specified periods to satisfy legal, statutory, operational, fiscal, policy, or contractual requirements. Records shall be retained and destroyed in accordance with the DRS Record Retention Policy and document management procedures.

What you need to know:

Comply with the DRS Record Retention Policy as well as all relevant laws and regulations, and contract requirements related to the preservation and destruction of documents and records.

Review documents scheduled for destruction, to ascertain whether there is a legal, business, or other reason to retain them that supersedes the document destruction policy or legal right to destroy them. Do not destroy documents that are related to threatened or pending litigation or an investigation that is ongoing (or that an employee knows or has reason to believe is forthcoming), regardless of the document destruction schedule. Consult with the Legal Department with any questions.

Treat e-mail and other electronic data with the same care as printed records, and retain them pursuant to the DRS Record Retention Policy.

Red Flags:

- Inadequate controls to preserve documents related to pending (or reasonably foreseeable litigation), audits, and investigations.
- Destruction of documents relevant to an ongoing or upcoming investigation.
- Disposal of documents without knowing what is being destroyed, or whether the documents are subject to retention requirements.
- Destruction of documents outside the schedule for document disposal, set forth in the DRS Record Retention Policy.

Refer to Policy EBC-008, Records Retention



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