

Sainsel

Code of Business Conduct

of

Sainsel Sistemas Navales, S.A.U., S.M.E.

INTRODUCTION

What the code of business conduct of Sainsel is?

The code of business conduct of Sainsel is the core that establishes the standard of conduct that Sainsel wants to follow in all their business activities. It is a standard of conduct more demanding than the one defined by the applicable legislation in the various countries in which Sainsel does its business.

It draws up a set of principles/values on entrepreneurial behavior. The code of business conduct is also a written reflection of a public commitment of Sainsel with those principles/values.

The code of conduct has been defined by the Board of Directors of Sainsel as top executive body of Sainsel and is a commitment at the highest level.

The code of conduct of Sainsel applies to all subsidiaries in which Sainsel holds the majority. It may also apply to temporary unions of companies, consortia, joint ventures and other instruments for the development of business in which Sainsel holds the majority.

What the code of business conduct of Sainsel is not

The code of conduct is not any substitute for the legal rules that may be applicable in each case and in each territory, or for the obligations validly assumed on a case by case basis either by contract or collective bargaining.

Nor does it constitute an internal comprehensive regulation of the company. Sainsel has rules and internal norms other than the code of conduct which have been duly approved and issued within the organization, and which should be, as a result, known and upheld.

To whom it is aimed at

The code of business conduct of Sainsel is aimed at individuals and entities who are their direct recipients (recipients) and also to those who have to be or can be aware of the same (knowing individuals and entities).

The recipients of the code of business conduct of Sainsel are first of all those serving Sainsel as directors, executive officers and employees, who must adjust their conduct to the standards established in it.

Also recipients of the Code of Conduct are the representatives, officials, agents and mediators acting on interest or on behalf of Sainsel. These persons or entities must comply its conduct to the standards of the code provided that they represent or manage interests of Sainsel.

The major knowing individual and entities of Sainsel's code of conduct are customers, suppliers, consultants and other persons or entities that are related to Sainsel for professional reasons or business. All these persons, in addition to being informed by Sainsel in order to let them know the code, must accept that, in their industrial relationships or business conducted with Sainsel, the conduct of the company and individuals target of this code is governed by the provisions of the same.

Finally, the code of conduct is aimed at anyone who does not have direct relationships with Sainsel, but who are interested in knowing the principles/values governing Sainsel's business conduct or to inform it of a violation of the rules set in this code.

What effect it is expected to have

The main effect expected of this code is to provide to all its addressees and knowing individual and entities with awareness of the standards of behavior that they must observe or comply with, as the case may be.

The obliged to comply with it are also expected to cooperate in its dissemination and effective implementation. In the case of directors, they are expected to give example to the rest of the organization in their knowledge, dissemination and implementation of the code of conduct.

This code is also expected to allow and encourage all of its recipients to make use of the various means envisaged to help their compliance.

Finally, it is expected that both recipients and knowing persons and entities of the code of conduct shall work together to prevent their violation.

What effect it is not expected to have

The effect Sainsel's code of conduct is not expected to have is to make none of their recipients believe that they are exempted from the duty to know and comply with the enforceable legal or internal rules of the company. Nor it is expected that the existence or the content of the code may be used by their recipients in order to create confusion and/or discrepancies in its interpretation, or to hinder its fulfillment in any other way.

Another effect that cannot be expected from the code of conduct is that it may resolve by itself every cases every doubt that may arise to comply with the principles/values of business conduct of Sainsel.

Finally, the code of conduct cannot have the effect of eliminating the need for all its recipients to act uprightly and use common sense to deal with the problems that may occur, informing the company and requesting advice and support where appropriate.

BUSINESS CONDUCT PRINCIPLES/VALUES

The principles/values of business conduct to which Sainsel is highly committed are as follows:

- ✓ Compliance with laws
- ✓ Moral Integrity and Impartial business conduct
- ✓ Respect for Individuals
- ✓ Health and Physical Integrity Protection
- ✓ Environmental Protection
- ✓ Efficient Management
- ✓ Appropriate Attitude at international markets
- ✓ Use and Protection of Information
- ✓ Commitment to Quality

Each principle/value results into certain rules of conduct. The most important content of these rules of conduct is explained below, which in the majority of cases are expanded into more specific rules through internal norms of the company or clauses in contracts.

- I -

Compliance with laws

The first commitment on business conduct for Sainsel is to comply with the applicable laws in all countries where it operates, with special emphasis on the commitment to pursue its violations and to cooperate with the Justice on such violations in which respects to criminal liability that may arise for the company in accordance with Spanish Criminal Code.

When permitted by law, Sainsel may choose the most convenient applicable law for its dealings.

Authorities and public representatives

When dealing with authorities and public representatives, either Spanish or elsewhere, Sainsel will act on respectful grounds and in accordance with the applicable legislation in order to promote and defend its corporate interests.

Recipients of this Code will cooperate with authorities and public representatives when necessary.

Money laundering

Sainsel is deeply committed to prosecution of money laundering. Recipients of this code of conduct will not promote, facilitate, participate in or conceal any money laundering operation. Recipients will cooperate with Sainsel in reporting any known money laundering operation.

Registration of financial operations

All operations with economic importance that Sainsel carries out will be clearly and accurately included in appropriate accounting records that represent the true image of the transactions carried out and will be available to internal and external auditors.

The recipients of this code of conduct, who in the performance of their work must enter the financial information in the systems of the company, will do so in a complete, clear and precise manner, so that they reflect, at the corresponding date, the rights and obligations in accordance with the applicable regulations.

Sainsel is committed to implement and maintain an adequate system of internal control over the preparation of financial information, guaranteeing periodic supervision of its effectiveness. The accounting records will be available at all times to internal and external auditors.

With this objective, Sainsel is committed to making available to its employees the training that is necessary for them to know, understand and comply with the commitments established by the company in terms of internal control of financial information.

- II -

Moral integrity and impartial business conduct

Recipients of this Code of Conduct are to implement a policy based on moral integrity and impartial business conduct, which is to seek Sainsel's corporate interest choosing for that purpose the most convenient and impartial alternative for the corporate interests as permitted by law, under this Code of Conduct and in accordance with Sainsel's internal rules and applicable contracts and/or collective agreements.

No arbitrary acts

In no case, recipients of this Code are to act on arbitrariness grounds. In no case third party interests or recipients' interests will be preferred to those of Sainsel's global corporate interests.

Conflict of interests

A conflict of interest arises whenever a recipient of the code of conduct must make a decision which affects both the interests of Sainsel and the interests of the recipient, its relatives or people with whom the recipient has a bond of affection equivalent to close friends; all of these in relation with companies, businesses or entities in which the recipient or the persons abovementioned have interests that may be affected by the decision.

A conflict of interest arises, i.e.:

- If recommending or awarding a Sainsel contract to a company in which a relative of the recipient responsible for making the decision works.
- If making a business decision that may directly benefit a close friend of the person in charge of deciding, for he is working for the company that shall be paid.

Should the recipients of this code of conduct be in conflict of interest, they will notify the situation to their superiors. Recipients are not to make decisions on the matter in which there is conflict of interest before notifying to commanders or superiors. Once the conflict of interest has been studied by commanders or superiors, the affected recipient will be allowed then to elect the most convenient alternative for Sainsel.

When allowing a recipient of this code to decide on a conflict of interest, commanders or superiors are to bear in mind not only the integrity and impartiality of the person who will decide, but also the fact that the impartiality image of Sainsel may not be damaged outside the company.

When the recipient in conflict of interest is part of a group of people collectively responsible for making the decision (such as committees or working groups) the recipient will inform the group and will abstain from voting.

Gifts and hospitality

When interacting with third parties and companies, recipients of this code of conduct will not give gifts and/or make invitations whose economic value exceeds what can be considered reasonable and moderate in the light of the circumstances and the country involved.

When the rules of conduct applicable to third parties or companies prohibit or limit below the reasonable threshold gifts or invitations, recipients of this code of conduct will refrain from making any invitation or giving any gift that may violate the rules of conduct therein.

Moreover, in relationships with third parties and companies, recipients of this code are to reject any gift or invitation whose economic value exceeds what can be considered reasonable and moderate in the light of the circumstances and the country involved. Rejection is to be polite and can be explained under the grounds of Sainsel's code of conduct.

In those exceptional cases in which, according to the business practices of a foreign country, it is necessary to accept gifts that exceed the value considered as moderate or reasonable under this Code, those gifts are to be accepted only on behalf of the company, who will be its sole owner.

Privileged information

Recipients of this Code will not use the privileged information known by means of their relations with Sainsel for their personal economic advantage, nor disclose it to third parties so that they may obtain the same kind of benefits.

Free and fair competition

Sainsel is firmly committed to free and fair competition. Consequently, should it concur with one or more competitors to implement a business operation, recipients of this code of conduct will refrain from any practice contrary to free and fair competition in order to favour Sainsel interests therein.

Practices that are considered anti-competitive:

- The unlawful obtaining of information about the product or the competitor's offer.
- Consultation with one or more competitors in order to fix prices or other key supply elements for the offer involved.
- The dissemination of false or misleading information which may be detrimental to one or more competitors.

Contracts Enforcement

Whenever Sainsel enters into a contract, it does so with the will and commitment of the contract to come into force and to fulfill all the agreements therein. Recipients of this code of conduct may not prevent or unreasonably impede the fulfillment of Sainsel's contracts.

Probity

When negotiating on behalf of Sainsel, recipients will conduct with probity, avoiding dishonest or unfair practices.

Corruption and Bribery

Sainsel rejects any corrupt practice, especially bribery acts. Recipients of this code shall not promote, facilitate, participate or conceal any corrupt practice. In every case, recipients will report any known corrupt practice.

In developing its international business, Sainsel will follow the recommendations and guidelines issued by business associations and OECD.

Intellectual and Industrial Property

Sainsel is committed to the protection of its own and others' intellectual and industrial property.

The recipients of this Code of Conduct are expressly prohibited from reproducing, copying, distributing or communicating computer programs, literary, artistic or scientific works and the use of industrial designs, trademarks, trade names, patents, utility models and semiconductor topographies of third parties without the proof that Sainsel has the corresponding rights and / or licenses.

Notwithstanding the provisions of the applicable legislation at all times, the intellectual and industrial property resulting from the work of Sainsel employees during their stay in the company, and which is related to the present and future business of Sainsel, will be the property of the company.

Third Party Equipment

Sainsel will pay special attention to the use of company equipment to access third-party systems, avoiding damages that could damage third-party systems.

- III -

Respect for individuals

Respect for individuals is an essential principle governing all of Sainsel's actions.

Respectful Treatment

Recipients of this code of conduct are always to treat individuals, recipients and non-recipients, with due respect. No disrespectful actions or words -spoken or written- against any person or group of persons are allowed.

Violence and aggressive behaviour

Sainsel prohibits any type of violent or aggressive behaviour, including physical aggression or threat of physical aggression, as well as verbal violence.

Equality and non-discrimination

Sainsel ensures its employees equal and non-discriminatory treatment; regardless of race, religion, sex, sexual orientation, national origin, age, pregnancy, disability and other legally protected circumstances.

Sainsel has a strong commitment to its policy of equality. Recipients of this code of conduct will act accordingly, knowing and favoring such policies.

Harassment and Mobbing

Sainsel also forbids and prosecutes harassment and mobbing behaviours at work, including sexual harassment. Recipients of this code of conduct commit to be aware of and apply Sainsel's policies for prevention and prosecution of harassment and mobbing at work.

Reconciliation of personal, family and working life

The company is committed to facilitate the reconciliation of personal, family and working life of its employees.

Respect for human rights

Moreover, Sainsel has a general commitment to respect human rights of all individuals.

Therefore, Sainsel is focused on the follow-up and fulfillment of human rights in its relation with Sainsel's personnel. Special attention is given to human rights related to business activities such as the right of association (collective bargaining and trade union rights), the rights of children and youth (abolition of child labour and forced labour) or the right to fair and favourable employment conditions.

- IV -

Health and physical integrity protection

Risk prevention

Priority is given to the protection of the physical integrity and health of Sainsel personnel and the prevention of any risk at the workplace. The company at all times shall comply with applicable laws and will launch a comprehensive global policy for the prevention of occupational hazards adapted to the activity of each workplace.

Sainsel has a clear commitment to inform all recipients of this code of conduct about the rules and procedures for prevention of occupational hazards.

Recipients of the code of conduct must inform the company, through their supervisors or managers of occupational health, about the existence of any alleged violation of rules in their areas.

Drugs and other substances

Sainsel is committed to a work environment free of drugs and the influence of other permitted substances that can alter the behaviour of people.

Recipients of this code of conduct, while on Sainsel's premises or performing their work elsewhere, will refrain from using drugs or banned substances. Also, recipients will refrain from abusing of alcoholic drinks or other substances which might alter their normal behaviour, if those were allowed by the applicable law or the internal regulations of the working place.

- V -

Environmental protection

Protecting the environment is one of the guiding principles of Sainsel's business performance. The company, therefore, always acts in accordance with laws and other regulations on environmental protection.

Sainsel will provide an adequate system of environmental management standards and procedures, appropriate to the current legislation in each case, to identify and minimize the different environmental risks, especially when it comes to waste disposal, handling of hazardous materials and prevention of spills and leaks.

The company will provide recipients of this code of conduct with appropriate knowledge of all rules and procedures of the company on environmental protection that may affect their activity and level of responsibility.

Recipients of this Code are to ensure compliance and to inform their superiors or those responsible for environmental management of all risks they may be aware of.

- VI -

Efficient management

Obtaining margin

The corporate purpose of Sainsel is to obtain a certain margin in its business operations within the limits established by law, contracts and this code of conduct. All recipients of the code shall endeavor to obtain the margin within those limits.

Adequate resources management

In order to facilitate that Sainsel may obtain a certain business margin, recipients of this code of conduct will at all times manage company's resources in the most efficient manner, avoiding all kinds of superfluous expenses.

Using company's resources for personal purpose

Except for those cases where the law or the company's rules authorize the use of company's resources for personal purposes, recipients of this code of conduct will refrain from using any of the means of the company for their personal purpose.

Disposal of assets

The recipients of this Code of Conduct must ensure the integrity of Sainsel's assets in the performance of their duties, in order to preserve them and not harm potential creditors.

With this objective, they will protect and take care of the assets that they have or access to in the exercise of their functions and will use them in an appropriate manner for the purpose for which they have been delivered. In particular, Sainsel prohibits alienation, transfer, assignment, concealment, etc. of any good ownership of Sainsel that can be carried out with the purpose of avoiding the fulfillment of its responsibilities towards creditors.

- VII -

Appropriate attitude at international markets

Licenses and import and export permits

Within all import and export operations of goods or services, including import and export of information, Sainsel will always act within the frame of the applicable laws inside the countries concerned.

Recipients of this code of conduct are to comply with the applicable law in each export and import operation. Also, recipients will provide competent authorities with any required information under legal grounds and will take the necessary steps to obtain the permits and approvals required to perform the operation involved.

Antitrust policies

When acting at international markets, Sainsel is committed to always comply with the antitrust laws of the various countries at stake. Recipients of this code of conduct involved in international operations should know and follow the antitrust requirements under the law of the countries involved.

-VIII -

Use and protection of information

Protection of confidential information

Sainsel has access to its clients and suppliers information, which is provided under terms of confidentiality. The company is committed not to disclose this information and to treat it as confidential. This commitment must be undertaken by all recipients of this code of conduct.

Sainsel stresses that, while operating, it generates valuable information whose disclosure could harm its interests or operations inside the market. Therefore, Sainsel undertakes to clearly regulate the identification, management and protection of its confidential information. Recipients of the code of conduct should be aware of and follow those rules.

Personal data protection

Laws of many countries protect sensitive personal information, especially for individuals, preventing it from being disclosed or managed through unsecured computer systems.

Sainsel pays especial attention to protect personal data in its business, always in accordance with applicable laws. Recipients of this code of conduct, especially those managing personal data protected by law, are required to meet the applicable legislation and ensure its proper implementation and enforcement.

Classified information

Sainsel is a company working inside the defense sector, whereby its clients disclose certain information that the laws of different countries protect as "State secret or classified" information. This information should be subject to a specific protection procedure which Sainsel assumes as a priority when dealing with its clients.

Recipients of this code of conduct should be aware of and comply with the various applicable legal standards for file management of classified information

Commitment to transparency

Provided it does not affect any confidential or classified information, Sainsel is committed to the transparency of its operations. Therefore, Sainsel will publicly show the compulsory information set out in laws and that relevant information which will be reasonable to disclose, on the activities and business of the company.

Sainsel maintains a special interest in its commitment to transparency and also establishes the need for transparency and truthfulness in the application for subsidies to which it may opt or obtain.

The recipients of this Code of Conduct must ensure compliance with the applicable legislation for the application and acceptance of the grants to which they are granted.

- IX -

Commitment to quality

Quality principles are part of the organizational culture at Sainsel, in order to achieve the maximum client's satisfaction together with the proper performance of the contract requirements.

Sainsel will value clients' satisfaction, will analyze results and will implement appropriate improvement measures.

Implementation by Sainsel of management and operational activities through the Quality Management System allows the company to withstand compliance with the necessary ethical requirements for the company, the customer or other interested parties.

DISSEMINATION AND IMPLEMENTATION OF THE CODE OF CONDUCT

Training actions

Sainsel will implement the necessary measures in order to train its employees so that they become aware of this code of conduct and its contents. Training will include criteria and guidelines to answer according to experience any questions or doubts that could arise herein.

Together with the general training, Sainsel will train those groups of its officers or employees who, due to the work performed, should have a more precise and detailed conduct training.

Support and advice

Recipients of this code of conduct will have several communication channels in order to seek advice and support about this Code of Conduct:

- Their commanders and superiors;
- Their respective Human Resources areas;
- The person in charge of the code of conduct at their workplace, who will be conducted and coordinated by the body responsible for compliance in Sainsel;

VERIFICATION AND CONTROL

Audits and in-house Controls

Besides this management, the bodies responsible for internal audit will participate in monitoring and enforcement of the code of conduct and will report to the Audit Committee of the Board of Directors.

Sainsel's Committee on Prevention of Criminal Risks will monitor and control compliance with the code of conduct and will report directly to the Management Committee.

Compliants and reports communication channel

Whenever a recipient should wish to inform the company about a possible breach therein, recipient may directly address the issue to Internal Audit Department through the following means:

E-mail addressed to:

canaldenuncia@sainsel.es

Correo ordinario dirigido a:

Sainsel Sistemas Navales, S.A.U., S.M.E. (Canal de quejas o denuncias)
Avda. Castilla, 2
Parque Empresarial San Fernando
Edificio Canadá
28830 San Fernando de Henares (Madrid)
España

Independence and confidentiality

Sainsel warrants that complaints notified by recipients of this code will be treated strictly as confidential, except where required by official authorities in accordance with the law.

Sainsel also ensures that it will seek and research the reported allegations or statements in a completely independent investigation of all of Sainsel's management bodies, except for the Board of Directors.

Prohibition of reprisals

Sainsel guarantees that it will never retaliate against recipients who in good faith report to the company a possible infringement of its code of conduct, collaborate in its research or helps in the resolution of the possible breach.

This warranty does not extend to those acting in bad faith with the intent of spreading false information or harm people. Against such unlawful conduct Sainsel shall take legal or disciplinary measures as appropriate.

Investigation

Sainsel will analyze the allegations or statements presented by recipients and may request additional information from other bodies of the company, who are always required to cooperate, provided there is no legal prohibition.

Unless otherwise applicable by law, when the investigation so requires, Sainsel will report the allegations or statements involved to the affected people so that they can provide additional information and, if necessary, argue or justify their actions.

Infringement of this code of conduct

Whenever an infringement of this code of conduct should be found to be penalized by law, Sainsel will so report to competent authorities.

If an infringement of this code of conduct entitles the company to take disciplinary actions against its officers, employees or workers, including dismissal, Sainsel will initiate the necessary steps in order to fulfill the disciplinary procedure.

Finally, should the infringement be on part of representatives, trustees, brokers and agents, Sainsel will act in accordance with what is established under their contracts.