

AVIO AERO

CODE OF CONDUCT

Approved by GE Avio S.r.l. Board of Directors

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Foreword

Avio Aero is an international Group¹ operating in the sector of production and maintenance of components and systems for civil and military aeronautics, committed to continuously improving the excellence of its products and services.

The Group's activities, some of which related to military equipment, dual products and classified information, have strategic relevance for the national defense and for the Italian Republic security system, for this reason, the Group is subject to specific laws and regulations and implemented a security organization.

Avio Aero's mission is focused upon growth and the creation of value through the supply of innovative products and services for maximum customer satisfaction, with due respect to the legitimate interests of all the categories of "interested parties"², fair employment practices, health and safety in the workplace, and the laws and regulations applicable to the different areas of activities in which it operates.

As of August 2013, Avio Aero has become part of the General Electric Group, wherewith it shares the highest standards of ethical business conduct. Indeed, for the past 125 years GE has demonstrated an unwavering commitment to performance with integrity, thus acquiring worldwide reputation for lawful and ethical conduct. In order to deserve, on a daily basis, such a high level of trust, GE has drawn up its code of ethics, "The Spirit & The Letter", both setting out rules of conduct governing key aspects of moral integrity and guiding actions, aimed at promoting corporate ethical commitment on the side of all its

¹ In this Code, "Group" means GE Avio S.r.l. and its subsidiaries under art. 2359 of the Civil Code, as well as other controlled companies under art. 26 of Law Decree 127 of April 9, 1991 (hereinafter Avio Aero). The text of such provisions is annexed hereto under Appendix B.

² In this Code, "interested party" means any individual, legal entity or organization that may either influence Avio Aero operations or be affected thereby. Interested parties may be internal (e.g. employees) or external (e.g. customers, shareholders, Government Entities, etc.)

employees. All GE Group employees must therefore follow both the letter and the spirit of such rules.

Based on these principles, further strengthening the Company's already high ethical standards, Avio Aero is committed to conducting its business in a fair and impartial manner.

All business relations shall be established and maintained with integrity and loyalty, and without any conflict of interest between Company business and personal affairs.

To achieve this goal, Avio Aero requires its employees to comply with the highest standards of conduct and ethical principles in the performance of their duties as set out in this Code of Conduct.

This Code becomes part of and is linked to the pre-existing GE Code, "The Spirit & The Letter" (attached hereto) and represents integral and substantial additional part thereof, in compliance with the provisions of Law Decree 231/2001.

The Code, which fully adopts "The Spirit & The Letter", is a guide and a support for every employee to enable them to pursue Avio Aero's mission in the most effective way.

The Code constitutes a fundamental element of the organizational model of internal control, which Avio Aero is committed to continually reinforcing and developing.

In view of the above, Avio Aero shall:

- ensure timely diffusion of the Code throughout Avio Aero and to all recipients;
- guarantee that all updates and modifications are provided on a timely basis to all recipients of the Code;
- provide appropriate training and information support, relative to any doubts regarding the interpretation of the Code;
- ensure that any employee reporting Code violations shall not be subject to any form of retaliatory measures;
- take equitable measures concerning sanctions appropriate to the type of Code violation, and guarantee to enforce them indiscriminately amongst all the categories of employees subject to the provisions of law and regulations, of contract and of internal regulations in force within the jurisdiction in which it operates;

- carry out periodic checks in order to determine compliance with the rules of the Code.

Avio Aero welcomes and encourages constructive contributions to the Code's content from both employees and third parties.

Avio Aero shall spare no effort to ensure that the Code's principles are shared by consultants, suppliers and any other party that has stable business relations with Avio Aero.

Avio Aero shall not engage in, nor continue any business relations with, any person(s), who expressly refuses to comply with the Code's principles.

1 Guide to the use of the Code

What is the Code?

The Code is a document approved by the Board of Directors, applicable to the whole of Avio Aero, which sets out the principles of conduct in business together with the commitments and responsibilities of Avio Aero employees.

The Code constitutes Avio Aero program in order to ensure effective prevention and detection of violations of laws and regulatory directives applicable to its activities.

Where regulations in force, in a particular jurisdiction, are more lenient than those in the Code, those of the Code shall prevail.

Who is the Code addressed to?

The Code applies to corporate bodies of GE Avio S.r.l. and its controlled subsidiaries ("Avio Aero"), to all employees of Companies belonging to Avio Aero, and to all other parties or Companies acting in the name of or on behalf of one or more Companies of Avio Aero.

Avio Aero shall spare no effort to ensure that those parties it deals with in long-term business relations such as consultants, professional experts, agents and dealers, may regard the Code as a standard of best practice for business conduct by the entities wherewith it entertains long-lasting business relations such as, by way of example but not limited to: advisors, experts, agents, dealers, suppliers, distributors and independent contractors.

Non controlled affiliated companies, as well, must be urged to adopt and follow the compliance rules contained in this Code.

The company is committed to inform all recipients of this Code so that they shall respect values set out herein, using methods deemed appropriate from time to time.

Where is the Code applied?

The Code is applied in Italy and all other countries in which Avio Aero operates and conducts business relations.

Where is the Code available from?

The Code may be browsed by all employees in an accessible place, using the most appropriate procedures and in conformity with local rules and regulations, and is available on Avio Aero Web Site (www.avioaero.com), and on the Company Intranet from where it may be freely downloaded.

It may also be requested from the Compliance Department, Legal Affairs or Human Resources (HR).

Can the Code be modified?

The Code is subject to revision by Board of Directors. Any reviews take into account contributions by employees and third parties, as well as any developments in legislation or the best international practices, as well as the experience acquired in applying the Code itself.

Any modifications to the Code, introduced as a result of this review, are published and made available in accordance with the aforementioned procedures.

Proposal for any update, modification or revision of this Code of Conduct shall be presented to the Board of Directors by the “Organismo di Vigilanza” (Supervisory Committee).

2 Business conduct policies

Avio Aero structures and develops its own business activities, requiring all its employees and other recipients of this Code to adapt their behavior to its values of conduct in business.

All its employees and other recipients shall pursue Avio Aero business activities in compliance with the policies set out below.

Conflict of interest

All business decisions and choices taken on behalf of Avio Aero shall be made in its best interest.

Therefore, employees and other recipients shall avoid any possible conflict of interest, with particular regard to personal or family interests (e.g. the existence of a vested financial or commercial interest with suppliers, customers or competitors; inappropriate advantages deriving from the role carried out within Avio Aero; ownership of or trade in shares or securities etc.), which might affect the independence of judgment when deciding what is in the best interest of Avio Aero and the most appropriate way to pursue it.

Any situation that constitutes or gives rise to a possible conflict of interest shall be reported immediately to the person directly in charge and to the Compliance Department. Every employee shall inform, in writing, his or her immediate superior and- the Compliance Department of the existence of any working activities for any other Company, or any relations of a financial, commercial, professional, family or personal nature that might influence the impartiality of his or her conduct in dealing with a third party.

Insider trading and ban to use confidential information

All employees are strictly required to comply with the laws in force on the abuse of confidential information (the so-called Insider Trading), under the interested jurisdiction.

Treatment of confidential information shall always be dealt with strictly in accordance with the specific procedures and regulations drawn up to that end by the Avio Aero. In order to

determine when confidential information should be made public, Avio Aero shall follow the procedures provided for by the laws in force.

Classified information and information subject to exclusive dissemination

Access to information subject to a secrecy classification or security qualification must be strictly reserved to those who need to know respecting personal security permissions and qualifications required.

Authorized persons are required to comply with the appropriate rules for the protection of such information. Authorizations, as well as personal and company security clearance, that allows access to classified information released by competent authority, are subject to periodical checks.

Confidentiality obligation

Expertise and know-how developed by Avio Aero comprise a fundamental resource that every employee and recipient must protect. In fact, in the event of improper diffusion of such expertise and know-how, Avio Aero could suffer damage to both its assets and image.

Therefore, all employees and other recipients shall not reveal to third parties any information regarding Avio Aero's technical, technological and commercial expertise and know-how, nor any other information relative to that which is not public, except cases in which such revelation is required by law or other regulatory directives, or where it is expressly provided by specific contractual agreements whereby the counter-parties have committed themselves to using such information exclusively for the purposes for which it was transmitted and to maintaining its confidentiality.

Confidentiality obligations, as per the Code, continue even after the termination of employment.

Bribery and illicit payments

Avio Aero, its employees and the other recipients of the Code are committed to the highest standards of integrity, honesty and fairness in all relations inside and outside Avio Aero.

No employee, nor any other recipient of the Code, shall directly or indirectly accept, request, offer or pay any sums of money or other benefits (including gifts or favors, with the exception of commercial items universally accepted within an international framework and company's policies), even if unlawful pressure has been exerted.

Avio Aero shall not tolerate any kind of bribery in any form or manner whatsoever, in any interested jurisdiction, not even where such activities may be permitted in practice, or may not be legally prosecuted, vis-à-vis public officials, in Italy or abroad, and/or any other private entity.

As regards the above, it is strictly forbidden for employees and other recipients to offer commercial give-aways, gifts or other benefits that may be in breach of the law or regulations, or are in contrast with the Code, or that may, if made public, constitute a prejudice against GE Avio, much as only in terms of image.

It is likewise forbidden for employees and other recipients (and members of their families) to accept any give-aways, gifts or other benefits, which may prejudice their independence of judgment. Consequently, every employee or recipient shall avoid all situations in which interests of a personal nature may come into conflict with the interests of Avio Aero.

Money laundering prevention

Avio Aero and its employees shall never carry out, nor be involved in, any activities that may

implicate the money laundering (i.e. acceptance or handling) of criminal proceeds, in any form or manner whatsoever.

Before establishing any business relations, Avio Aero and its employees shall check, with preventive measures, all available information (including financial information) on business partners and suppliers in order to determine their respectability and the legitimacy of their business activities.

Avio Aero shall always observe the enforcement of laws against money laundering in any competent jurisdiction.

Competition

Avio Aero acknowledges the fundamental importance of a competitive market and be committed to respecting all rules of law in force regarding competition, wherever it operates.

Avio Aero and its employees shall avoid business practices (establishment of cartels, market divisions, limitations to production or sales and tying agreements etc.), which may represent a violation of laws on competition.

Within the framework of fair trade practices, Avio Aero shall not knowingly infringe on the intellectual property rights of any third party.

Embargo and export control laws

Avio Aero shall ensure that its business activities never violate, in any circumstance whatsoever, international embargo and export control laws in force in the countries where it operates.

Privacy

In the conduct of its business, Avio Aero collected a significant amount of personal data and confidential information, which is committed to handling in compliance with all privacy laws in force in any jurisdiction it operates in, as well as best practice procedures for the protection of privacy.

To this end, Avio Aero shall guarantee the highest level of security in the selection and use of its information technology systems, which process personal data and confidential information.

3 Employees

Avio Aero acknowledges that the motivation and professionalism of its employees are an essential factor for maintaining competitiveness, creating shareholders' value and customer satisfaction.

The following principles confirm the importance of respect for the individual, in compliance with the national laws and the fundamental conventions of the I.L.O. (International Labor Organization), guaranteeing impartiality of treatment and excluding any form of discrimination.

Commitments

The Code is an integral and substantial part of the employment agreement entered into by each One of Avio Aero's employees.

Consequently, Avio Aero expects all its employees to strictly comply with the provisions of the Code. Any violation of such provisions shall be firmly dealt with by imposing appropriate sanctions.

Therefore, employees shall:

- learn fully the details of the Code's provisions and policies regarding their own specific job responsibilities, also attend any relevant training courses;
- act and behave in a manner consistent with the Code, and refrain from any conduct that might damage Avio Aero or jeopardize its honesty, impartiality or reputation;
- promptly report any Code violations, following the procedures set out in Appendix C;
- comply with all internal regulations introduced by Avio Aero in order to comply with the Code or identify any violations thereof;
- consult the competent Compliance Dept and/or Legal Affairs and/or Security and or HR, in accordance with Appendix C, in order to obtain explanations about the interpretation of the Code;
- co-operate fully in any investigations regarding Code violations, maintaining the utmost reticence regarding the existence of said investigations, and actively participating, where requested, in audit activities on the operation of the Code.

Positions of responsibility within Avio Aero

Persons holding the so-called “Critical Positions”, i.e., such persons, as may be responsible for or, in any case, involved in, “Critical Processes”, as defined in the relevant “Organization, Management and Control Model pursuant to Law Decree No. 231/2001”, with respect to the Italian Companies of Avio Aero, or as defined by Guidelines 231 with respect to Avio Aero foreign Companies and, in any case, those who hold top management positions in one or more of Companies of Avio Aero, are required, besides complying with the Code, to rigorously comply with the following requirements in performing the roles assigned to them, namely to:

- work with honesty and integrity, avoiding any conflict of interest, even potential, deriving from personal or professional/business relations;
- promptly supply his/her direct superior and, where his/her position in the company requires it, and depending from the case, to the Independent Auditors, the Board of Directors, the Board of Statutory Auditors, the Head of Security and the shareholders, with complete, accurate, objective, and readily interpretable data and information;
- act in such a way as to guarantee complete, clear, accurate and understandable information in all the various types of documents that are to be presented to or filed with public authorities (and in all preliminary documents of such a presentation or filing), as in any other external communication;
- work in full compliance with the rules and regulations whereto the Company is subject;
- work with the maximum professional objectivity, avoiding that his/her independent judgment be unduly influenced by external circumstances;
- treat with the maximum confidentiality all and any information not of public domain, which is obtained by virtue of his/her position held in the Company, avoiding any use thereof to personal advantage or to the advantage of third parties;

- promote amongst their own collaborators such behaviors, as may be motivated by the highest
- standards of integrity, correctness and professionalism;
- use Company assets and resources in the most correct and professional way.

The afore provisions constitute an integral and substantial part of the obligations arising out of and from the functions held in the Company, and any derogations therefrom, also partial or limited in time and nature, shall be authorized by the Board of Directors of the Company solely on serious and justified grounds.

In general, any person acting as supervisor, head, team leader or manager, shall perform their duties by setting a good example and providing leadership and guidance in accordance with the business and ethical principles of conduct contained in the Code and, through their behavior, shall show the Company's employees that compliance with the Code is an essential aspect of their work, making sure they are fully aware that business results shall never be separated from compliance with the principles of the Code.

In any case, all supervisors, heads, team leaders or managers:

- shall report any noncompliance incidents;
- shall be responsible for ensuring protection of those who, in good faith, report Code violations;
- shall be responsible for suggesting to the competent HR Department appropriate sanctions to fit the violation committed, and such as to constitute a deterrent against any further violations.

Equal opportunities

Avio Aero is committed to providing equal opportunities for all its employees, as regards both jobs and career advancement.

The head of each department shall ensure that, in all aspects of job relations such as recruitment, training, salary, promotion, assignment of roles, responsibilities and objectives, assessment of performance, transfer and termination of employment, employees shall be treated according to their abilities to meet job requirements, avoiding

any form of discrimination and, in particular, discrimination based on race, sex, age, nationality, religion and personal beliefs.

Harassment

Harassment or undesired behaviors of any kind such as those related to race, sex or other personal characteristics, aiming at and resulting in violation of the dignity of the person, who is the victim of such acts, is deemed by Avio Aero as wholly unacceptable whether it takes place inside or outside the workplace.

Working environment and protection of privacy

Employees shall spare no effort in maintaining a good working environment in which the dignity of each person is respected.

In particular, Avio Aero employees:

- shall not work whilst under the influence of alcohol or drugs nor access sites in possession of substances and materials prohibited by company policies;
- shall not smoke on workplace (excluding the external areas where smoking is allowed) in order to protect their own health and that of others from the effects of “passive smoking”, also in the countries where smoking on workplace is permitted;
- shall avoid all such behaviors, as may create an intimidating or offensive climate towards colleagues or subordinates in order to marginalize or discredit them in the workplace.

Avio Aero, in full compliance with current legislation, shall protect the privacy of individuals in relation to information concerning both private life and opinions of each employee and, more in general, of whoever may interact with the Company.

In particular, respect for the dignity of employees shall also be ensured through the protection of privacy in correspondence and interpersonal relationships between employees, through the prohibition of any interference in conferences or discussions, and through the prohibition of any intrusion or form of control, which may affect the human personality.

To this end, in each Avio Aero Company, all personal data shall be stored in appropriate data banks, which shall be accessible only to the authorized persons, as provided for by the laws in force.

In particular, as regards Avio Aero Italian Companies, the data defined by law as “critical” or “legal”, shall be stored according to data protection programmatic document and shall be accessible to both managers and persons in charge of such data banks.

Company assets

Employees shall use Company assets and resources to which they have access, or the freedom to use, in an efficient and appropriate manner, so as to protect their value.

It is strictly forbidden, for any reason whatsoever, both professional and not inherent to working relations with Avio Aero, to distribute or assign, even temporarily, the said assets to external persons, unless previously justified and opportunely authorized and documented.

The use of such assets and resources is strictly forbidden if in contrast to the provisions provided for by Law, and this Code, and, therefore, the interests of Avio Aero.

Recruitment

No employee of Avio Aero shall accept or demand promises or transfers of money, goods, benefits, inducements or services of any kind that may be designed to promote the recruitment of anyone as an employee, or his or her transfer or promotion.

Bonus System

Where provided for by the relevant contractual system, with reference to some categories of persons, a variable portion of their salary may be applied, linked to the achievement of such objectives, as are set out through both principles of equity and correctness and quality and quantity criteria, in any case, such as to be reachable however challenging.

4 External relations

Avio Aero and its employees are committed to maintaining and developing their own business relations with all categories of interested parties by acting in good faith, with loyalty, fairness, transparency and due respect for the fundamental values of GE Avio.

Customers

Avio Aero shall fully meet the expectations of the end customer and deem it essential that its customers are always treated in a correct and honest way and therefore demand of its employees and other recipients of the Code that all relations and contacts with customers be marked by honesty, professional integrity and transparency.

All employees shall follow internal procedures in order to achieve these objectives by developing and maintaining fruitful and lasting business relations with customers, offering security, assistance, quality and value sustained by continuous innovation.

Avio Aero, in all their relations with customers, shall avoid any unfair discrimination in dealing with them, and shall refrain from improper use of their bargaining power to the detriment of any customers.

Suppliers

The supplier system plays a fundamental role in improving Avio Aero competitiveness.

Avio Aero shall select Suppliers based on their ability to offer the best in terms of quality, innovation, costs and services in order to guarantee the highest level of customer satisfaction at all times.

Considering it is of primary importance for Avio Aero that its partners share the values of the Code and the stringent respect of the laws in force (☒ each supplier has signed a Supplier Code of Conduct ad hoc) employees shall, furthermore, select Suppliers according to appropriate and objective methods, taking into account, along with quality, innovation, costs and services offered, the subjective requisites of integrity, professionalism and category listing/associations registration, as well as the absence of any suspicion whatsoever, past or present, of involvement in activities of terrorism or

subversion of the public order (verifying failure to hold registration with the reference lists linked to international terrorism, prevention activities and opposing money laundering and the financing of international terrorism).

No Avio Aero employee shall make any cash payments or give any favors whatsoever to Suppliers, Consultants or Partners, unless they are adequately justified within the framework of the contractual relationship constituted with them.

Is also forbidden for employees and other recipients (and their families) to accept gifts, gifts or other benefits that may impair their independence of judgment. To this end, every employee and recipient must avoid situations where personal interests may conflict with the interests of Avio Aero

Employees shall likewise establish and maintain stable, transparent and cooperative business relations with Suppliers.

Public institutions

Only duly delegated departments and employees may manage relations with public institutions, which shall be transparent and inspired by Avio Aero Values.

Any gifts or favors made to representatives of any public institution (where allowed by current regulations and by company policies) shall be of modest value and proportionate to the case and, in any case, may not be interpreted as aiming at gaining unfair advantage for Avio Aero.

Avio Aero shall fully cooperate with regulatory and governmental bodies within the framework of their legitimate area of activities. Should one or more Avio Aero be subjected to legitimate inspections by public authorities, Avio Aero shall provide full cooperation.

Should a public institution be a customer or Supplier of Avio Aero, the latter shall act in strict compliance with the laws and regulations that govern the acquisition from or sale to that particular public institution of any goods and/or services.

Any intervention to promote the interests of Avio Aero may be conducted only where permitted and in strict compliance with the laws in force and, in any case, in compliance with the Code and any procedures specifically established by GE Avio.

Trade Unions and political parties

Any relations between Avio Aero and Trade Unions or Political Parties and their representatives or candidates shall be inspired by the highest principles of transparency and fairness.

Contributions by Avio Aero shall only be allowed if enforced or expressly permitted by law and, in the latter case, authorized by the relevant corporate bodies of Avio Aero.

Any contribution made or activity performed by Avio Aero employees shall be solely construed as personal and voluntary contribution.

Communities

Avio Aero and its employees are strongly committed to behaving in a socially responsible manner, respecting the uncompromising values of a clean environment and a healthy and safe workplace, and ensuring that the cultures and traditions of each country in which it operates are observed and respected.

In compliance with the fundamental I.L.O. conventions, Avio Aero shall not employ child labor, namely it does not employ persons younger than the age established for starting work by legislations of the place in which work is carried out and, in any case, younger than fifteen years of age, unless exceptions are expressly provided for by international conventions and any local legislations.

Avio Aero also not use it workers of countries whose residence is illegal.

Moreover, Avio Aero shall not establish any business relations with Suppliers that employ child labor, as defined above.

Communication and corporate information

Avio Aero acknowledges the vital role of clear and effective communication in internal and external relations. In fact, communication and external relations influence, directly and indirectly, Company development.

It is therefore necessary that these activities are organized according to clear, uniform criteria, which take into account both the requirements of the various lines of business activities and the economic and social role of Avio Aero as a whole.

Avio Aero employees given the task of imparting information to the public relative to Avio Aero, business activities or geographical areas, in the form of speeches, participation at conferences, publications or any other type of presentation, shall follow the instructions issued by Avio Aero and receive, where necessary, the prior authorization of the duly designated Company department or the person in charge of external communications.

Communication to economic and financial markets, and supervising bodies, shall always be supplied promptly in an accurate, complete, correct, clear and comprehensible manner and, in any case, in compliance with the laws applicable in the relevant jurisdiction.

This form of communication shall only be managed and carried out by those employees specifically given the responsibility for communication to economic and financial markets, and supervising bodies.

Media relations

Communication to the media plays an important role in the creation of Avio Aero's image; therefore, any information concerning Avio Aero shall be supplied in a true and uniform manner and only by those employees responsible for communication to the media.

No other employees shall impart any information on Avio Aero, which shall not have been made public, to media representatives nor may they have any kind of contact with them aimed at disclosing confidential corporate information; on the contrary, they shall see to reporting any media enquiries to the appropriate person or department.

5 Health, Safety, Security, Hygiene and Environment

Avio Aero shall not compromise on the protection of health and safety of its employees in the workplace and shall not expose Suppliers to unnecessary risks, which may cause damage to their health or physical safety.

Suppliers' decision-making and behavior shall further be guided by the following basic principles:

- avoid risks;
- assess risks that may not be avoided in relation to health, safety, hygiene and environment;
- eliminate risks and, if that is not feasible, reduce them to the minimum possible, consistently with the information and expertise acquired through technological development and evolution;
- adjust work to the individual, in particular, with reference to job creation planning and the choice of machinery and equipment, as well as work and production methods, in such a way as to mitigate monotonous repetitive work, thus reducing the impact of such activities on workers' health.
- reduce risks at source;
- take into account the level of technical evolution;
- systematically reduce and, where possible, completely eliminate any elements of risk or danger;
- plan preventive actions, aimed at a consistent situation integrating within the same area technology, work organization, working conditions, external Company relations and impact of working environment factors;
- prioritize collective protection measures over individual protection measures;
- give staff suitable instructions;
- put in place adequate training and information activities.

Avio Aero shall pursue the aim of ensuring effective management of health, safety, hygiene and the environment, which it considers critical to its success, and adopt an effective environmental management system complying with all relevant national and international regulations on health, safety, hygiene and the environment.

All those working for Avio Aero are responsible for the good and proper management of both health, safety and hygiene in working conditions and environmental issues.

Avio Aero shall adopt an effective environmental management system complying with all relevant national and international legislative requirements and guided by the following core principles:

- do not pollute;



- optimize the use of resources at all times;
- develop more and more environmentally compatible products.

6 Accounting

Avio Aero is committed to maximizing long-term value for its partners.

In order to honor this commitment, Avio Aero shall maintain high standards of financial planning and control, and accounting systems consistent with and appropriate to the accounting principles applicable to Avio Aero.

To fulfil these procedures, Avio Aero shall operate, with the maximum transparency consistent with best business practices, by:

- ensuring that all operations carried out are duly authorized, verifiable, legitimate and consistent;
- guaranteeing that all operations are appropriately recorded and accounted for in conformity with the best current procedures, and properly documented;
- analyzing and managing, with professional diligence, any risks connected to Avio Aero activities;
- establishing rigorous processes in the execution of the activities, which guarantee management decisions (including those relative to investments and disposals) based on sound economic analysis that comprises prudent risk assessments and ensure Company assets are optimally employed;
- ensuring that decisions on finance, tax and accounting issues are taken at an appropriate management level;
- preparing promptly all documentation to be sent to market supervising bodies or diffused to the public, making sure that this documentation is complete, accurate, reliable, clear and comprehensible.

Avio Aero considers transparency in the accounting methods of each single operation performed thereby to be of the utmost importance for its success.

Therefore, Avio Aero insists on accurate, timely and detailed reports from its employees as regards financial operations. Employees shall keep true and accurate records of all financial operations, together with appropriate supporting documentation.

Irregular bookkeeping is a violation of the Code and is considered illegal in almost all judicial systems. It is therefore forbidden for any employee to behave in such a way, or be responsible for omissions, that may lead to:

- the recording of counterfeits;
- the recording of operations in a deceptive way or not sufficiently documented;
- failure to record commitments, also guarantees only, which may result in liabilities or obligations for Avio Aero.

Avio Aero Compliance Department, within the framework of a verification program, or at the request of the Board of Directors, the Chief Executive Officer of any Company of Avio Aero, shall verify both quality and effectiveness of the afore data and report the outcome to the persons requiring the afore and to the other appointed bodies.

Avio Aero employees shall assist with the monitoring activities on quality and effectiveness.

Compliance Department, Statutory Auditors and Independent Auditors shall have full access, within the limitations and in full compliance with the provisions of the laws in force governing classified or “critical” information for the purposes of privacy protection.

Any employee asked to co-operate in preparing and presenting documents aimed at supervising bodies or the public shall ensure, as far as their responsibility is concerned, that these documents be complete, accurate, reliable, clear and comprehensible.

7 Rules concerning “Administrative Responsibilities” of the Company or pertinent legal entity

This Code of Conduct represents an independent instrument, liable to be generally adopted by the Avio Aero Companies, aiming at expressing the principles of “corporate ethics” that Avio Aero recognizes as its own and in whose connection it requires strict observance by all its Employees, by the Board of Directors, Board of Statutory Auditors, External Auditors, Consultants, Partners and, in any case, by all such persons or Companies, as may act in the name or on behalf of one or more of Avio Aero Companies. In view of both improving Avio Aero Corporate Governance and safeguarding its image, the expectations of its limited partners, as well as the work carried out by its Employees and Partners, deeming it to be in compliance with its own corporate policies and with the general principles of this Code, Avio Aero has decided to proceed with the adoption and implementation of specific instruments, which are applicable to the single Avio Aero and which will allow, through well-defined rules and protocols to be applied within the framework of the so-called “critical” activities and processes, to limit risks, thus preventing, in the best possible way, specific types of crimes from being seemingly committed to the advantage of the single Company or the whole of Avio Aero; which may bring about a charge of criminal administrative responsibility under the provisions of either Law Decree 231/2001 in force in Italy or similar laws in force in the foreign countries where Avio Aero operates.

By way of an example, but not limited thereto, corporate processes are regarded to be critical whenever they may be construed as:

- a) crimes committed within the sphere of the relations with the Public Administration;
- b) crimes of organized crime;
- c) corporate crimes;
- d) crimes of terrorism or subversion of the democratic order;
- e) crimes against the fundamental rights of freedom, racism and xenophobia
- f) transnational crimes;

- g) crimes of manslaughter and serious or very serious injury committed in breach of the accident prevention and health and safety at work regulation;
- h) receiving, laundering and using money, goods or benefits of illegal origin, as well as self-laundering
- i) environmental crimes;
- j) crimes relating to falsehood in instruments or signs of recognition and crimes against industry and commerce;
- k) computer crimes and illicit treatment of data.
- l) crimes related to copyright infringements (
- m) Induction not to make statements or to make false statements to the Judicial Authority
- n) use of third citizens without regular residence permit
- o) corruption between private individuals and instigation to corruption;
- p) tax offenses.

The complete list of crimes leading to corporate administrative responsibility under Law Decree 231/2001, along with the relevant pecuniary and disqualifying sanctions, is published in the “Law Decree 231/2001” section on the Company Intranet. Also published in the same section is the complete list of crimes, with commentary, described through the use of more common terminology in use.

As concerns the regulatory provisions contained in the aforementioned Law Decree 231/2001, all Avio Aero Italian Companies have adopted (or have planned to adopt) their own Organization, Management and Control Model, whose provisions must be complied with in order to guarantee that the Company be exempted from the administrative liability under the aforementioned Decree.

Avio Aero foreign Companies have adopted (or have planned to adopt) the “231 Guidelines” for foreign controlled or subsidiary Companies (231 Guidelines for Group Foreign Companies), issued by GE Avio, setting out the general and specific behaviors to be implemented to manage such activities, as are deemed to be critical in connection with crime commission risks as defined by local laws similar to Italian Law Decree 231/2001

and/or, in any case, such behaviors, as may be deemed to constitute a criminal act under Avio Aero corporate policies, much as they may not constitute a crime within the framework of the relevant set of rules.

The aforementioned document may be browsed in the “Law Decree 231/2001” section on the Company Intranet and on Avio Aero Web Site (www.avioaero.com).

Compliance with and implementation of the provisions set out by both Organization, Management and Control Model, as adopted by the Italian Companies, and 231 Guidelines, as adopted by the foreign Companies, by all Employees, Boards of Directors, Boards of Statutory Auditors, External Auditors, Consultants and Partners of Avio Aero is integral and substantial part of the provisions of this Code of Conduct.

8 Implementation and assurances

Avio Aero is committed to achieving the highest standards of best practice in relation to its moral, social and business management responsibilities towards the interested parties.

The Code sets out Avio Aero expectations vis-à-vis both persons, who are part of it, and responsibilities to be borne by them for consistent conduct and behavior.

The managers of Avio Aero different business lines and functions shall be responsible for ensuring that these expectations are understood and put into practice by the employees.

They shall also guarantee that the commitments described in the Code are implemented throughout all levels of said business lines and functions.

Avio Aero encourages employees to speak to the competent subject as Appendix C, at all times as to the most appropriate behavior to adopt regarding the Code, whenever they may entertain doubts thereabout.

A prompt reply shall be given to all requests for explanation, without the risk of any retaliatory measures, also indirect, against employees.

Any appropriate measures against Code violations shall be presented to the competent HR by the persons directly in charge and shall be adopted in a manner consistent with the laws in force and the relevant national and corporate labor contracts, and, in any case, shall be proportionate to the specific violation.

Any form of retaliatory measures taken against any person who, in good faith, has reported possible Code violations or who has requested explanations regarding Code application procedures, shall be considered a Code violation. The behavior of anyone who accuses other employees of a Code violation, in the knowledge that such a violation has not been committed, shall also be deemed to constitute breach of the Code.

Code violations may lead to the adoption of disciplinary sanctions and result in the fiduciary relationship between Avio Aero and any employee to be terminated, with the consequent severance of the labor relationship with the latter. Without prejudice to the right of the interested Avio Aero Company, as regards all types of violations, to take legal action for compensation for damages, which may have been caused by or may arise from said violation.



Any departure from the Code rules, also partial and limited in time and nature, may solely be authorized on serious and justified grounds, by the Board of Directors of the Avio Aero Company employing the member of staff, who made said request.

APPENDICES

Appendix A – The Spirit & the Letter

Always with unyielding integrity

The Spirit & The Letter



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This booklet is just an introduction to GE compliance policies. The full text of those policies and many other resources are located at **integrity.ge.com**.

Statement of integrity

For more than 125 years, GE has demonstrated an unwavering commitment to performance with integrity. At the same time we have expanded into new businesses and new regions and built a great record of sustained growth, we have built a worldwide reputation for lawful and ethical conduct.

This reputation has never been stronger. In several surveys of CEOs, GE has been named the world's most respected and admired company. We have been ranked first for integrity and governance.

But none of that matters if each of us does not make the right decisions and take the right actions. At a time when many people are more cynical than ever about business, GE must seek to earn this high level of trust every day, employee by employee.

This is why I ask each person in the GE community to make a personal commitment to follow our Code of Conduct. This set of GE policies on key integrity issues guides us in upholding our ethical commitment. All GE employees must comply not only with the letter of these policies, but also their spirit.

If you have a question or concern about what is proper conduct for you or anyone else, promptly raise the issue with your manager, a GE ombudsperson or through one of the many other channels the Company makes available to you. Do not allow anything—not "making the numbers," competitive instincts or even a direct order from a superior—to compromise your commitment to integrity.

GE leaders are also responsible not only for their own actions but for fostering a culture in which compliance with GE policy and applicable law is at the core of business-specific activities. Leaders must address employees' concerns about appropriate conduct promptly and with care and respect.

There is no conflict between excellent financial performance and high standards of governance and compliance—in fact, the two are mutually reinforcing. As we focus on becoming the pre-eminent growth company of the 21st century, we must recognize that only one kind of performance will maintain our reputation, increase our customers' confidence in us and our products and services, and enable us to continue to grow, and that is performance with integrity.

A handwritten signature in blue ink, reading "Jeff Immelt", followed by a stylized star or flourish.

Jeffrey R. Immelt

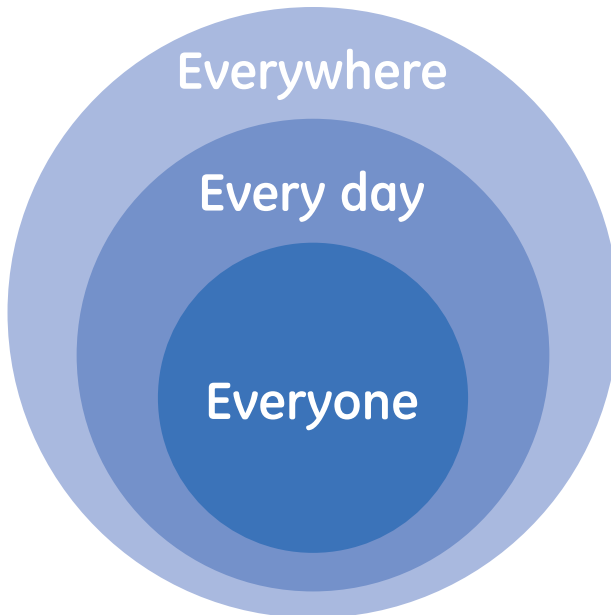
Chairman of the Board & Chief Executive Officer
June 2005

The Spirit & The Letter: guiding the way we do business

Every day, everyone at GE has the power to influence our company's reputation — everywhere we do business. The Spirit & The Letter helps to ensure that, after more than 125 years, we still conduct our affairs with unyielding integrity.

For well over a century, GE employees have worked hard to uphold the highest standards of ethical business conduct. We seek to go beyond simply obeying the law — we embrace the spirit of integrity.

GE's Code of Conduct articulates that spirit by setting out general principles of conduct everywhere, every day and by every GE employee.



GE code of conduct

Obey the applicable laws and regulations governing our business conduct worldwide.

Be honest, fair and trustworthy in all your GE activities and relationships.

.....

Avoid all conflicts of interest between work and personal affairs.

.....

Foster an atmosphere in which fair employment practices extend to every member of the diverse GE community.

.....

Strive to create a safe workplace and to protect the environment.

.....

Through leadership at all levels, sustain a culture where ethical conduct is recognized, valued and exemplified by all employees.

.....

Your personal commitment

You will be asked to acknowledge your awareness that every GE employee must follow The Spirit & The Letter Policies and raise concerns about possible violations of law or policy with a GE manager, company legal counsel, GE auditor, GE ombudsperson or other GE compliance specialist.

For the complete text of policies, visit the GE integrity Web site: **integrity.ge.com**.

Who must follow GE compliance policies

GE DIRECTORS, OFFICERS AND EMPLOYEES

SUBSIDIARIES AND CONTROLLED AFFILIATES Entities in which GE owns more than 50 percent of the voting rights, or has the right to control the entity, are required to adopt and follow GE compliance policies.

NON-CONTROLLED AFFILIATES Non-controlled affiliates should be encouraged to adopt and follow GE compliance policies.

THIRD PARTIES REPRESENTING GE GE employees working with third parties, such as consultants, agents, sales representatives, distributors and independent contractors, must:

- Require these parties to agree to comply with relevant aspects of GE's compliance policies.
- Provide these parties with education and information about policy requirements.
- Take action, up to and including terminating a contract, after learning that a third party failed to abide by GE's compliance policies.

What employees must do

All employees can contribute to GE's culture of compliance by understanding GE's policies, embracing GE's commitment to integrity and acting to enforce compliance and avoid violations.

Employee responsibilities are as follows:

UNDERSTAND GE POLICIES

- Gain a basic understanding of the policy requirements summarized in this booklet.
- Learn the details of policies relevant to your job.
- Check **integrity.ge.com** for the complete and up-to-date policies.
- Go to your manager, company legal counsel or other GE resources with any questions about the policies.

RAISE YOUR CONCERNS

- Promptly raise any concerns about potential violations of any GE policy.
- Understand the different channels for raising integrity concerns: ombudsperson, manager, GE lawyer, GE auditor or other compliance resource.
- If a concern you raise is not resolved, pursue the issue! Raise it through another of GE's channels.
- Cooperate in GE investigations related to integrity concerns.

What leaders must do

A leader must: create a culture of compliance in which employees understand their responsibilities and feel comfortable raising concerns without fear of retaliation; encourage ethical conduct and compliance with the law by personally leading compliance efforts; consider compliance efforts when evaluating and rewarding employees; and ensure that employees understand that business results are never more important than ethical conduct and compliance with GE policies.

Leaders must also take the following steps to build an infrastructure to prevent, detect and respond to compliance issues:

PREVENT COMPLIANCE ISSUES

- Identify business compliance risks.
- Ensure that processes, tailored to address your particular risk areas, are communicated and implemented.
- Provide education on GE policies and applicable law to employees and (where appropriate) board members and third parties.
- Commit adequate resources to your business's compliance program.

DETECT COMPLIANCE ISSUES

- Implement control measures, such as "dashboards" and "scorecards," to detect heightened compliance risks and/or violations.
- Promote an effective ombuds-person system.
- Ensure that periodic compliance reviews are conducted, with the assistance of business compliance leaders and/or the Corporate Audit Staff.

RESPOND TO COMPLIANCE ISSUES

- Take prompt corrective action to fix identified compliance weaknesses.
- Take appropriate disciplinary action.
- Consult with GE legal counsel and make appropriate disclosures to regulators and law enforcement authorities.

Raise your voice: your obligation to raise integrity concerns

Raising an integrity concern protects the GE community:
our company, our colleagues and our stakeholders.

If you have a concern about compliance with GE policy,
you have a responsibility to raise that concern.

RAISE CONCERNS EARLY

The longer we wait to address
a concern, the worse it may
become.

YOU MAY REMAIN ANONYMOUS

However, if you identify yourself,
we are able to follow up with
you and provide feedback.

CONFIDENTIALITY IS RESPECTED

Your identity and the information
you provide will be shared only
on a “need-to-know” basis with
those responsible for resolving
the concern.

RETALIATION VIOLATES GE POLICY

GE absolutely prohibits retaliation
against anyone for raising or
helping to address an integrity
concern. Retaliation is grounds
for discipline up to and including
dismissal.

**You can raise a concern orally or in writing.
If you prefer, you can do it anonymously.**

How to raise an integrity concern

GE offers several channels for raising concerns. Use the channel that is most comfortable for you.

WITHIN YOUR BUSINESS

Generally, your supervisor or manager will be in the best position to resolve an integrity concern quickly. However, your direct supervisor is not your only option. Other resources include:

- Your compliance leader or auditor
- Company legal counsel
- Next level of management
- Your business ombudsperson or integrity helpline (listed at integrity.ge.com)

GE CORPORATE OMBUDSPERSON

The GE Ombudsperson process allows you to voice your integrity questions and concerns, anonymously if you choose, and you will receive a response.

P.O. Box 911
Fairfield, CT 06430
U.S.A.

800-227-5003 (U.S.A. only) or
8*229-2603 or (1) 203-373-2603
ombudsperson@corporate.ge.com

GE BOARD OF DIRECTORS

You may report concerns about GE's accounting, internal accounting controls or auditing matters, as well as other concerns, to the Board of Directors or the Audit Committee.

GE Board of Directors
General Electric Company (W2E)
3135 Easton Turnpike
Fairfield, CT 06828 U.S.A.

800-417-0575 (U.S.A. only)
(1) 203-373-2652
directors@corporate.ge.com

Speak up, ask questions, get answers. If your concern is not addressed, raise it to one of the other channels.

What happens when an integrity concern is raised

Concerns about compliance with GE policy will be investigated. GE's investigation process includes:

1. ASSIGNING AN INVESTIGATION TEAM

Experts with the right knowledge and objectivity are assigned to investigate.

2. CONDUCTING AN INVESTIGATION

The team determines the facts through interviews and/or review of documents.

3. CORRECTIVE ACTION

If necessary, the team recommends corrective actions to the appropriate managers for implementation.

4. FEEDBACK

The person raising the concern receives feedback on the outcome.

Penalties for violations

Employees and leaders who violate the spirit or letter of GE's policies are subject to disciplinary action up to and including termination of employment. Misconduct that may result in discipline includes:

- Violating GE policy.
- Requesting others to violate GE policy.
- Failure to promptly raise a known or suspected violation of GE policy.
- Failure to cooperate in GE investigations of possible policy violations.
- Retaliation against another employee for reporting an integrity concern.
- Failure to demonstrate leadership and diligence to ensure compliance with GE policies and law.

GE absolutely prohibits retaliation

Business policies and procedures

Your business may issue its own policies and procedures. You must follow those policies and procedures in addition to those described in this guide.

IMPORTANT This guide and the policies described in it are not an employment contract. GE does not create any contractual rights by issuing this guide or the policies.

Introduction: Regulatory excellence
Working with customers & suppliers
Government business
Competing globally
In the GE community
Protecting GE assets

The Spirit & The Letter policies

Regulatory excellence

Virtually all of our *Spirit & Letter* policies are based on government laws and regulations. These regulations impact every GE business and every GE employee. Regulators establish and define the rules that we must comply with to conduct business. Effectively engaging with regulators as they establish regulations and assuring compliance with these regulations are critical to maintaining GE's reputation for integrity.

Today's regulatory environment is becoming more and more challenging. GE is subject to a growing number of regulations and enforcement activities around the world. This environment demands that every employee and leader be aware, knowledgeable and committed to regulatory excellence.

RESPONSIBILITIES OF ALL EMPLOYEES

- Be knowledgeable about and comply with the *Spirit & Letter* policies that affect your job responsibilities.
- Be aware of the specific regulatory requirements of the country and region where you work and that affect your business.
- Gain a basic understanding of the key regulators (who they are) and the regulatory priorities (what they require) that affect your business and your work.
- Promptly report any red flags or potential issues that may lead to a regulatory compliance breach.
- Always treat regulators professionally, with courtesy and respect.
- Assure that you coordinate with business or corporate experts when working with or responding to requests of regulators.

RESPONSIBILITIES OF ALL LEADERS

Leaders have the following special responsibilities for regulatory compliance:

LEAD

- Assure that you and your team are engaged in addressing regulatory policy, meeting regulatory requirements and managing regulatory risks.
- Embed regulatory requirements into key operating processes. (e.g., Growth Playbook, Session C and Session D)

ASSESS

- Determine the key regulators and regulatory requirements that affect your business operations globally.

RESOURCE

- Assign owners for all regulatory risk areas and assure that they coordinate with any relevant government relations and corporate regulatory specialists.
- Confirm that the right domain expertise exists to effectively manage regulatory relationships and compliance.

ANTICIPATE

- Implement effective processes that alert you to new and changing regulations. Include regulation in your risk assessments.

RELATE

- Develop and maintain effective relationships with regulators in coordination with government relations and compliance experts.
- Work proactively with regulators on the development of regulations that achieve policy objectives efficiently and effectively.

CONTROL

- Monitor execution and conduct audits to assure that processes which support regulatory relationships and compliance are operating effectively.

Section One

Improper payments
Supplier relationships
International trade controls
Money laundering prevention
Privacy

Working with customers & suppliers



An overseas customer has been invited to travel to visit our training facility at GE expense, but also wants to add a weekend side trip to visit Universal Studios.

Can we fund the whole trip?

SEE PAGE 18:
IMPROPER PAYMENTS

Your low-cost supplier offers good quality and reliable delivery at prices that can't be beat. But you are uncomfortable with the working and living conditions it provides its workers.

Shrug it off, or make an issue of it?

SEE PAGE 20:
SUPPLIER RELATIONSHIPS



Improper payments

WHAT TO KNOW

An improper payment to gain advantage in any situation is never acceptable and exposes you and GE to possible criminal prosecution. GE expressly prohibits improper payments in all business dealings, in every country around the world, with both governments and the private sector.

Improper payments should not be confused with reasonable and limited expenditures for gifts, business entertainment and customer travel and living expenses directly related to the promotion of products or services or the execution of a contract. These payments are acceptable, subject to specific GE corporate and business guidelines.

? **ANSWER TO QUESTION ON PAGE 17** It depends on many factors, including whether your customer is a government official, the local law, the customer's policies, your business's guidelines and other facts. You must consult with GE counsel and your manager to determine whether the trip is acceptable.

WHAT TO DO

BEFORE GIVING A GIFT, engaging in customer entertainment or reimbursing customer travel expenses, make sure you understand applicable legal requirements, the customer's own rules and GE corporate and business guidelines.

MAKE SURE RECORDS OF SUCH EXPENDITURES accurately reflect the true nature of the transaction.

NEVER OFFER A BUSINESS COURTESY, such as a gift, contribution or entertainment, under circumstances that might create the appearance of an impropriety.

NEVER OFFER, PROMISE, PAY OR AUTHORIZE anything of value (such as money, goods or services) to a government official or employee of a customer to obtain or retain an improper advantage.

NEVER GIVE A GRATUITY or other payment to government officials or employees to expedite a routine administrative action without fully disclosing it to the GE National Executive or GE legal counsel. Some national laws that prohibit bribery outside that nation include an exception for "facilitating payments" to expedite a routine administrative action to which a person is otherwise entitled. These payments are often illegal under local anti-bribery laws, and GE strongly discourages them. Make sure you understand the difference between a bribe—corruptly giving someone else a thing of value in exchange for exercising discretion in your favor—and a facilitating payment, which involves the payment of a small amount of money to expedite a routine action to which you are entitled.

NEVER CONTRIBUTE COMPANY FUNDS or other company assets for political purposes in the United States without the prior approval of GE's Vice President for Government Relations. Never contribute company funds or other company assets for political purposes outside the United States without the approval of both GE's Vice President for Government Relations and GE's Vice President for International Law and Policy.

REQUIRE ANY PERSON OR FIRM WHO REPRESENTS GE (such as a consultant, agent, sales representative, distributor or contractor) to comply with this policy and related laws.

FOLLOW YOUR BUSINESS'S DUE DILIGENCE PROCEDURES when selecting persons or firms to represent GE.

WHAT TO WATCH OUT FOR

BACKGROUND INFORMATION about existing or potential third-party representatives that indicates:

- Allegations of improper business practices.
- Reputation for bribes.
- Family or other relationship that could improperly influence the decision of a customer or government official.

ANY DEMAND to receive a commission payment before the announcement of an award decision.

ANY SUGGESTION TO DIRECT GE BUSINESS through a specific representative or partner due to a "special relationship".

ANY REQUEST to make a payment in a country or to a name not related to the transaction.

A COMMISSION that is disproportionate to the services provided.

Supplier relationships

WHAT TO KNOW

GE's relationships with suppliers are based on lawful, efficient and fair practices. We expect our suppliers to obey the laws that require them to treat workers fairly, provide a safe and healthy work environment and protect environmental quality. Following GE guidelines helps ensure that our supplier relationships will not damage GE's reputation.

? **ANSWER TO QUESTION ON PAGE 17** Don't shrug it off. It's a big issue — GE's reputation depends on doing business only with suppliers that deal responsibly with their workers and with their local environments.

WHAT TO DO

COMPLY WITH APPLICABLE LAWS and government regulations covering supplier relationships.

DO BUSINESS only with suppliers that comply with local and other applicable legal requirements and GE guidelines relating to labor, the environment, health and safety. Follow the procedures set out in GE's Supplier Reputational Guidelines, found at integrity.ge.com.

FOLLOW GOVERNMENT ACQUISITION REGULATIONS when purchasing materials and services for fulfilling government contracts.

PROVIDE A COMPETITIVE OPPORTUNITY for suppliers to earn a share of GE's purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities, women and disabled veterans.

SAFEGUARD GE'S CONFIDENTIAL AND PROPRIETARY INFORMATION with a confidentiality agreement, and safeguard any supplier-provided information protected by any confidentiality agreement.

SAFEGUARD "PERSONAL DATA" obtained from suppliers (for instructions, see "Privacy" on page 28).

WHAT TO WATCH OUT FOR

CHOOSING SUPPLIERS on any basis other than open, competitive bidding.

POTENTIAL CONFLICTS OF INTEREST in supplier selection, such as accepting improper gifts or other items of value.

DIRECTING BUSINESS TO A SUPPLIER owned or managed by a relative or close friend.

UNSAFE CONDITIONS in supplier facilities.

SUPPLIER EMPLOYEES who appear to be underage or subject to coercion.

APPARENT DISREGARD of environmental standards in supplier facilities.

ENTRUSTING "PERSONAL DATA" or confidential information to suppliers without ensuring that they have appropriate technical, physical, and organizational measures to prevent unauthorized access or use.

You seek lower-cost suppliers in key areas and have found a non-domestic supplier that looks promising.

Can you e-mail technical drawings to see if this new company has the capabilities you need?

SEE PAGE 24:
INTERNATIONAL TRADE CONTROLS



A representative from a potential new customer or supplier has given you his card, containing his name and contact details.

Is it OK to put this information in a database where other GE personnel can access it?

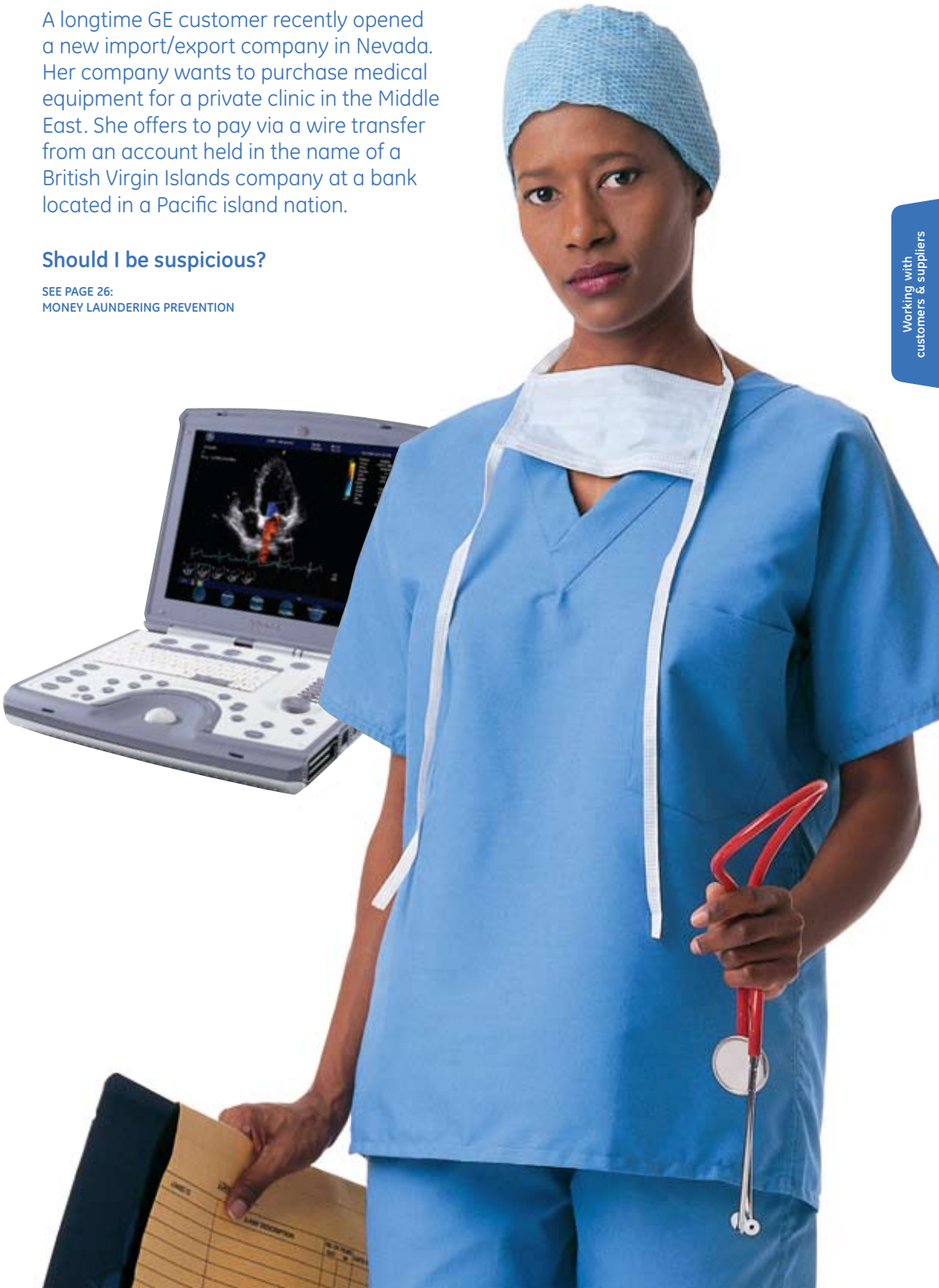
SEE PAGE 28:
PRIVACY



A longtime GE customer recently opened a new import/export company in Nevada. Her company wants to purchase medical equipment for a private clinic in the Middle East. She offers to pay via a wire transfer from an account held in the name of a British Virgin Islands company at a bank located in a Pacific island nation.

Should I be suspicious?

SEE PAGE 26:
MONEY LAUNDERING PREVENTION



International Trade Controls

WHAT TO KNOW

International Trade Control (ITC) laws affect the transmission of goods, services and technology across national borders. These laws apply to many aspects of GE's operations — not just shipping products. Exchanges of information across national boundaries, including e-mail and web access, are subject to trade controls. The United States also controls the release of technical information to non-U.S. nationals *within* the United States. It is important that we carefully observe ITC laws in connection with these activities.

? **ANSWER TO QUESTION ON PAGE 22** It depends on the export classification of the technical information and your business's "Know Your Supplier" policy — check with your business's ITC expert for specific guidance.

WHAT TO DO

FOLLOW RELEVANT ITC REGULATIONS of all countries in which you operate and your business's own ITC procedures as they relate to importing and exporting goods, technology, software, services and financial transactions.

REPORT ALL RELEVANT INFORMATION to your import manager to ensure accurate and complete import declarations. Ensure GE or its agent provides accurate and complete information to government authorities.

CHECK THE EXPORT CLASSIFICATION of the product, software or technology prior to export to determine whether special authorization is required.

SCREEN YOUR TRANSACTIONS against all applicable rules that restrict transactions with certain sanctioned countries, persons and prohibited end uses.

SCREEN ALL YOUR BUSINESS PARTNERS, suppliers and parties involved in your international transactions against government-provided watch-lists. Follow your business's "Know Your Customer/ Know Your Supplier" procedures.

DO NOT COOPERATE WITH ANY RESTRICTIVE TRADE PRACTICE or boycott that is prohibited or penalized under U.S. or applicable local laws.

CONSULT WITH YOUR MANAGER if a transaction involves a conflict between U.S. law and applicable local laws, such as the laws adopted by Canada, Mexico and the members of the European Union blocking certain U.S. restrictions.

WHAT TO WATCH OUT FOR

ANY FACTS, SOMETIMES KNOWN AS "RED FLAGS," that suggest your customer may be attempting to evade ITC laws (a complete list of "Red Flags" is available from the International Law & Policy site found at integrity.ge.com).

EVASIVE, RELUCTANT OR OTHERWISE UNSATISFACTORY ANSWERS by a customer to questions about end use, end user, delivery dates or delivery locations.

INVOLVEMENT OF PARTIES OR ACTIVITIES suspected of any connection with the development of biological, chemical or nuclear weapons, or ballistic missiles.

TRANSACTIONS INVOLVING AN EMBARGOED COUNTRY, a citizen or representative of an embargoed country or an individual or entity subject to government sanction.

INVOICES ON IMPORTED GOODS where the price shown does not reflect the full value, the description of the goods is not complete, or the country of origin is not correctly identified.

ANY PAYMENT TO THE EXPORTER or benefiting the exporter that is not included in the invoice price or otherwise reported.

TRANSFER PRICES between related parties that fail to cover appropriate costs and profits.

USE OF AN IMPORT TARIFF CLASSIFICATION that does not seem to describe the imported goods accurately.

DESIGNATION OF GE AS THE IMPORTER OF RECORD (party responsible for an importation) without maintaining necessary processes to comply with import laws.

ENTRY OF GOODS UNDER A PREFERENTIAL DUTY PROGRAM (GSP, NAFTA, ETC.) without supportive procedures assuring compliance with the program's requirements.

Money laundering prevention

WHAT TO KNOW

People involved in criminal activity — e.g., terrorism, narcotics, bribery, and fraud — may try to “launder” the proceeds of their crimes to hide them or make them appear legitimate. More than 100 countries now have laws against money laundering, which prohibit conducting transactions that involve proceeds of criminal activities. A related concern is that legitimate funds may be used to finance terrorist activity — sometimes called “reverse” money laundering.

GE is committed to complying fully with all anti-money laundering and anti-terrorism laws throughout the world. GE will conduct business only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources. Each GE business is required to implement risk-based “Know Your Customer” due diligence procedures calibrated to the risk in question, and to take reasonable steps to prevent and detect unacceptable and suspicious forms of payment. Failing to detect customer relationships and transactions that place GE at risk can severely damage GE’s integrity and reputation.

? **ANSWER TO QUESTION ON PAGE 23** Yes, you should be suspicious if a transaction involves transferring funds to or from countries or entities unrelated to the transaction or not logical for the customer. Moreover, requests to transfer money to third parties also raise red flags that need to be investigated to ensure the legitimacy of the transaction. Consult with company counsel or a GE anti-money laundering specialist before proceeding.

WHAT TO DO

COMPLY WITH ALL APPLICABLE LAWS and regulations that prohibit money laundering and support and financing of terrorism, and that require the reporting of cash or suspicious transactions. Understand how these laws apply to your business.

FOLLOW YOUR BUSINESS'S "KNOW YOUR CUSTOMER" PROCEDURES. Collect and understand documentation about prospective customers, agents and business

partners to ensure that they are involved in legitimate business activities and their funds come from legitimate sources.

FOLLOW YOUR BUSINESS'S RULES concerning acceptable forms of payment. Learn the types of payments that have become associated with money laundering (for example, multiple money orders or travelers checks, or checks on behalf of a customer from an unknown third party).

IF YOU ENCOUNTER A WARNING SIGN of suspicious activity, raise your concern with a designated GE anti-money laundering compliance specialist or company legal counsel and be sure to resolve your concern promptly before proceeding further with the transaction. Ensure the resolution is well documented.

WHAT TO WATCH OUT FOR

A CUSTOMER, AGENT OR PROPOSED BUSINESS PARTNER who is reluctant to provide complete information, provides insufficient, false or suspicious information, or is anxious to avoid reporting or record keeping requirements.

PAYMENTS using monetary instruments that appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms.

ATTEMPTS BY A CUSTOMER or proposed business partner to pay in cash.

EARLY REPAYMENT of a loan in cash or cash equivalents.

ORDERS, PURCHASES OR PAYMENTS that are unusual or inconsistent with the customer's trade or business.

UNUSUALLY COMPLEX DEAL STRUCTURES, payment patterns that reflect no real business purpose, or unusually favorable payment terms.

UNUSUAL FUND TRANSFERS to or from countries unrelated to the transaction or not logical for the customer.

TRANSACTIONS INVOLVING LOCATIONS identified as secrecy havens or areas of known terrorist activity, narcotics trafficking or money laundering activity.

TRANSACTIONS INVOLVING FOREIGN SHELL OR OFFSHORE BANKS, unlicensed money remitters or currency exchangers, or non-bank financial intermediaries.

STRUCTURING OF TRANSACTIONS TO EVADE RECORD KEEPING or reporting requirements (for example, multiple transactions below the reportable threshold amounts).

REQUESTS TO TRANSFER MONEY or return deposits to a third party or unknown or unrecognized account.

Privacy

WHAT TO KNOW

A growing number of countries are more stringently regulating the collection and use of consumers' "personal data" (names, home and office contact information, and other data). In addition, many countries regulate personal data of company representatives in business-to-business transactions. A few countries even regulate the privacy of information relating to corporations. GE is committed to handling personal data responsibly and in compliance with applicable privacy laws.

? **ANSWER TO QUESTION ON PAGE 22** If you collected this data in a country regulated by a "personal data protection" law—for example, most countries in Europe—you may be prohibited by law from using or sharing the information where the person to whom the data pertains has not granted express consent. If you are not sure, consult with the Chief Privacy Leader for your business listed on the Privacy site at Support Central.

WHAT TO DO

LEARN AND COMPLY with the following as they apply to personal data including:

- Applicable laws and regulations of jurisdictions from which the personal data is collected and in which it is processed or used.
- The privacy policies of GE and your business.
- Any contractual obligations that apply.

COLLECT, PROCESS AND USE PERSONAL DATA for legitimate business purposes only.

USE "ANONYMOUS" DATA (names removed and not identifiable) or "aggregated" data (summarized so as not to be identifiable to an individual) instead of personal data where appropriate or required.

LIMIT ACCESS to personal data to individuals who need it for a legitimate business purpose.

USE CARE to prevent unauthorized access in processing of personal data or accidental loss or destruction of personal data.

IF YOU LEARN THAT PERSONAL DATA HAS BEEN USED IN VIOLATION of this policy or your business's privacy implementing procedures, or if you learn that the security of any system or device containing personal data has been compromised, immediately notify your manager, business Privacy Leader or company legal counsel.

WHAT TO WATCH OUT FOR

INADEQUATE ACCESS OR SECURITY CONTROLS for personal data, such as e-mailing or otherwise distributing personal data to a larger group than legitimately needed, or leaving printouts with personal data at a printer, copy machine or fax machine for others to see.

SHARING OF PERSONAL DATA with unaffiliated third parties, such as vendors or suppliers, who lack appropriate security safeguards or restrictions on information use.

TRANSFERS OF PERSONAL DATA between countries, without considering applicable legal requirements.

Government business



We are entitled to a large payment from a government customer if we certify that project installation has been completed. We're not sure whether a few small items have been installed yet, but they should be soon. It's getting close to year-end, and we'd like to book the payment.

Can we submit our invoice and certification now?

SEE PAGE 32:
WORKING WITH GOVERNMENTS



Working with governments

WHAT TO KNOW

GE conducts business with national governments and government-owned enterprises. In the course of our work, we frequently interact with government agencies, officials and public international agencies. In every instance, GE employees must apply the highest ethical standards and comply with applicable laws and regulations, including certain special requirements associated with government transactions.

? **ANSWER TO QUESTION ON PAGE 31** No, you cannot submit the invoice and certification until you are certain that the entire installation has been completed in accordance with the contract. Submission of an incorrect certification could subject the company, and you personally, to criminal penalties. Therefore, it is extremely important that all certifications submitted to the government be current, accurate and complete.

WHAT TO DO

ABIDE BY APPLICABLE LAWS and regulations relating to working with governments, particularly special requirements associated with government contracts and transactions.

REQUIRE anyone providing goods or services for GE on a government project or contract — such as consultants, sales representatives, distributors or suppliers — to agree to comply with the intent of GE's Working with Governments policy.

BE TRUTHFUL AND ACCURATE when dealing with government officials and agencies.

ADOPT PROCESSES THAT ENSURE reports, certifications, statements and proposals are current, accurate and complete and that contract requirements are adequately identified and communicated to the responsible parties.

DO NOT MAKE ANY UNAUTHORIZED SUBSTITUTIONS for contracted goods and services or deviate from contract requirements without the written approval of the authorized government official.

WHAT TO WATCH OUT FOR

SPECIAL REQUIREMENTS that apply to transactions with governments, including commercial transactions between private parties financed by government agencies such as the EX-IM Bank, U.S. Agency for International Development, the European Union or the European Bank for Reconstruction and Development.

INCORRECT OR UNAUTHORIZED COST-CHARGING on government contracts.

DEVIATIONS FROM CONTRACT REQUIREMENTS or unauthorized contract substitutions, such as failure to perform required tests and inspections.

SUBMISSION OF INACCURATE OR INCOMPLETE cost or pricing data when this data is required by the government.


VIOLATING GOVERNMENT REGULATIONS that establish gratuity restrictions, recruiting and hiring restrictions, or certification procedures.

ACCEPTING INFORMATION about a government's competitive selection of a supplier, or a competitor's bid or proposal (unless the contracting officer or agency leader has specifically and lawfully authorized the information's release).

NEGOTIATING FOR EMPLOYMENT with a government official or government official's family members while the official has the ability to influence decision-making about contracts with the government.

VIOLATIONS OF THE U.S. GOVERNMENT ZERO TOLERANCE POLICY regarding trafficking in persons. This anti-trafficking policy is applicable to employees directly engaged in performance of work on all U.S. Federal Government contracts. Employees that violate this policy may be subject to disciplinary action up to and including termination, and may subject the company to contract termination, suspension or debarment. Our Company's Working with Governments Policy at [integrity.ge.com](https://www.integrity.ge.com) provides additional details.

Competing globally

A woman with blonde hair, wearing a dark blue blazer over a white top and a black scarf with white polka dots, is holding a black folder. She is standing in front of a large wind turbine. The background is white.

There is a big account I think my business could land — but only if we partner with one of our competitors to go after it.

Can we work together without violating the competition laws, or should I let this opportunity pass?

SEE PAGE 36:
COMPLYING WITH COMPETITION LAWS

Complying with competition laws

WHAT TO KNOW

Competition and antitrust laws:

- Prohibit agreements or understandings between competitors that undermine competition;
- Regulate the behavior of dominant companies; and
- Require prior review and in some instances clearance for mergers, acquisitions and certain other transactions, in order to prevent transactions that would substantially reduce competition.

These laws are complex, and global in reach, and can operate differently in any particular situation. Your business provides specific guidelines on addressing contacts with competitors, obtaining and handling data about competitors, and participating in trade and professional associations and standards setting and product certification organizations. In addition, it is often essential that you involve legal counsel early in the process of developing new commercial initiatives given the many uncertainties that arise in the application of these laws.

? **ANSWER TO QUESTION ON PAGE 35** Partnering with a competitor for a specific project may be permissible when the result is an improvement in the solution offered to the customer; for example, when both companies together can provide an offering that neither would be able to supply separately. Always seek legal advice before agreeing to work with a competitor on a joint proposal.

WHAT TO DO

COMPLY with all applicable competition laws and regulations as well as competition law decrees, orders and agreements with any competition regulator about how business will be conducted.

REVIEW AND UNDERSTAND both GE and business-specific policies and procedures, and if you have questions or issues, bring them up with company legal counsel.

DO NOT propose or enter into agreements or understandings—expressed or implied, formal or informal, written or oral—with any competitor regarding any aspect of the competition between GE and the competitor. Do not discuss with a competitor or competitor representative:

- Prices
- Bids
- Sales territories, allocation of customers or product lines

- Terms or conditions of sale
- Production, sales capacity or volume
- Costs, profits or profit margins
- Market share
- Product or service offerings
- Customer or supplier classification
- Distribution methods

DO NOT propose or enter into agreements with anyone (including competitors, agents, brokers or customers) regarding whether to submit a bid or the terms of a bid where there is an understanding that the bid is submitted for any purpose other than winning the business.

AVOID CONTACTS of any kind with competitors that could create the appearance of improper agreements or understandings.

DO NOT propose or enter into agreements or understandings with customers that restrict the price or other terms at which the customer may resell or lease a product or service to a third party.

DO NOT propose or enter into agreements or understandings with suppliers that restrict the price or other terms at which GE may resell or lease any product or service.

CONSULT with company legal counsel to help reduce the risks of noncompliance in the evaluation of any proposed merger, acquisition, joint venture or any other business arrangement that could raise competition law issues (examples of arrangements that need to be discussed with counsel are listed in "What to Watch Out For" below).

WHAT TO WATCH OUT FOR

EXCLUSIVE ARRANGEMENTS for the purchase or sale of products or services.

BUNDLING of goods and services.

AGREEMENTS THAT RESTRICT A CUSTOMER'S CHOICES in using or reselling a GE product or service.

TECHNOLOGY LICENSING agreements that restrict the freedom of the licensee or licensor.

SELECTIVE PRICE DISCOUNTING to only certain customers.

DISTRIBUTION ARRANGEMENTS with competitors.


AGREEMENTS TO ADD A GE EMPLOYEE to another entity's board of directors.

Section Four

Fair employment practices
Environment, health & safety
Security & crisis management

In the GE community



A woman with long brown hair, wearing a plaid blazer and matching trousers over a light blue shirt, is seated in a silver wheelchair. She is looking off to the side with a thoughtful expression. Her feet are wearing white sneakers with blue accents. The background is a plain, light color.

I'm disabled and required to attend an offsite meeting that is not physically accessible for me.

Don't I have rights offsite?

SEE PAGE 40:
FAIR EMPLOYMENT PRACTICES

Fair employment practices

WHAT TO KNOW

Fair employment practices do more than keep GE in compliance with applicable labor and employment laws. They contribute to a culture of respect. GE is committed to complying with all laws pertaining to freedom of association, privacy, collective bargaining, immigration, working time, wages and hours, as well as laws prohibiting forced, compulsory and child labor and employment discrimination. Beyond legal compliance, we strive to create an environment considerate of all employees wherever GE business is being conducted.

WHAT TO DO

BASE EMPLOYMENT DECISIONS on job qualifications (e.g., education, prior experience) and merit. Merit includes an individual's skills, performance, values, leadership and other job-related criteria.

MAKE ALL EMPLOYMENT RELATED DECISIONS AND ACTIONS without regard to a person's race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.

PROVIDE A WORK ENVIRONMENT free of improper harassment and bullying.

RESPECT THE PRIVACY RIGHTS of employees by using, maintaining and transferring personal data in accordance with GE's Employment Data Protection Standards and related procedures found at integrity.ge.com. (While seeking to maintain employee privacy, GE reserves the right to monitor use of company property, including computers, e-mail, phones, proprietary information, etc., in accordance with applicable law.)

TAKE LAWFUL AFFIRMATIVE ACTIONS in the United States, and elsewhere if required by local law, to increase opportunities in employment for women, minorities, people with disabilities and certain veterans.

IF A CONFLICT ARISES between the requirements of this policy and the laws, customs or practices of a particular area, consult with management and company legal counsel to determine the most appropriate course of action.

WHAT TO WATCH OUT FOR

A HOSTILE WORK ENVIRONMENT (for example, telling jokes or displaying materials that ridicule or offend a member of a particular race or ethnic group).

MAKING UNWELCOME SEXUAL ADVANCES to another employee or person with whom you work.

VIOLATING A LABOR LAW in your country (for example, hiring a child under the legal minimum age).

REFUSING TO WORK, or otherwise cooperate with, certain individuals because of their race, religion, sex, or other characteristic protected by law.

DISCLOSING EMPLOYMENT DATA to a person who does not have the business need, authority or the subject's consent.

TAKING AN ADVERSE ACTION against an employee (e.g., firing) because the employee has raised a concern about a violation of policy or law.



You're dispatched to rewire a customer's failing electrical system. Unfortunately, the customer cannot completely shut down the system for repairs as planned. You accomplish most of the job by shutting down parts of the system as needed. Finally, all that remains is some simple rewiring that requires a more disruptive shut-down. The customer asks you, as a favor, to do this work with no shut-down. You feel confident that you can do it with minimal risk.

Can you do the customer this favor?

SEE PAGE 44:
ENVIRONMENT, HEALTH & SAFETY

A new customer wants to place a big order with GE, provided the equipment can be shipped to them overnight. That doesn't give us enough time to do the required Watchlist screening.

Can I ship the equipment today and check the Watchlists tomorrow?

SEE PAGE 46:
SECURITY & CRISIS MANAGEMENT



Environment, health & safety

WHAT TO KNOW

Protecting the environment and the health and safety of employees is the law — and GE believes it's also the right thing to do. Through management leadership and employee commitment, GE works to conduct its operations in a safe manner that minimizes environmental impact. This policy affects all company activities — not just managing our waste and emissions, but everything we do — for example, selling products, driving a car on company business, acquiring a new business or providing customer service.

? **ANSWER TO QUESTION ON PAGE 43** No. GE Policy and safe work practices require that energized machinery be de-energized before work is commenced. While there are limited exceptions to this rule that allow specially trained employees to work on energized equipment when specific safeguards are in place, in general maintenance or repair work should only occur when the machinery or equipment has been de-energized to remove the hazard.

WHAT TO DO

COMPLY with all applicable environmental health and safety (“EHS”) laws and regulations, and GE EHS policies.

CREATE AND MAINTAIN a safe working environment and prevent workplace injuries.

ASSESS EHS LEGAL AND REPUTATIONAL RISKS before starting a new activity, venture or project, selling a new product, acquiring a new business or participating in a hazardous business.

CONSIDER EHS IMPACTS in the design and production of GE’s products and services as part of evaluating the “life cycle” of our products.

ELIMINATE UNREASONABLE EHS RISKS from GE’s facilities, products, services and activities.

AS PRACTICABLE, REDUCE TOXIC AND HAZARDOUS MATERIALS; prevent pollution; and conserve, recover and recycle materials, water and energy.

CONTINUE TO IMPROVE OUR EHS SYSTEMS and performance as an integral part of GE’s operational strategy.

PRESENT IDEAS that support the goals of this policy to your manager or your business’s EHS manager.

PROMPTLY ALERT YOUR MANAGER or EHS contact of unlawful or unsafe conditions.

WHAT TO WATCH OUT FOR

UNSAFE ACTIVITIES AND CONDITIONS, such as:

- Failure to use personal protective equipment (shoes, safety glasses, hearing protection, gloves, monitors, etc.).
- Unlabeled or unapproved chemicals.
- Exposed or unsafe wiring.
- Blocked fire or emergency exits.
- Unsafe driving, or failure to wear seat belts or follow GE’s driving policies.
- Working in high places without fall protection.
- Working beneath heavy, suspended loads, or improperly using cranes.
- Working on electrical or powered equipment without following safety (e.g. “lock-out, tag-out”) procedures.
- Working unsafely at a customer site.

- Potential exposure to serious infectious diseases.
- Disabling safety controls or guarding on equipment and machinery.

FAILURE TO COMPLY with health, safety or environmental regulations and procedures.

EHS COMPLAINTS from employees, customers or neighbors.

UNREPORTED environmental, health or safety hazards or accidents.

FAILING TO RESPOND promptly to concerns about possible product safety issues.

MISSED OPPORTUNITIES for reducing waste and toxic materials.

FAILING TO FOLLOW GE POLICIES for the management, shipping, transportation, import/export

and disposal of hazardous materials and chemicals.

RISKS AND LIABILITY associated with new acquisitions as well as both new and existing products, processes, services and ventures that present increased legal liability and reputational risk.

INADEQUATE SECURITY procedures or practices that may present safety threats to a facility and/or employees.

NEW PRODUCTS, processes, ventures or acquisitions that present increased legal liability and reputational risk.

Security & crisis management

WHAT TO KNOW

In an age of increasing terrorist threats, protecting the security of our people, workplaces, information and businesses is critical. It starts with every business implementing a rigorous and comprehensive security and crisis management (SCM) plan. GE's SCM plan includes measures for preventing terrorist and other criminal acts covering our employees, facilities, information, information technology (IT) infrastructure, business continuity and crisis management. In addition, employees must take every precaution to avoid doing business with terrorists or those that support terrorist activity.

? **ANSWER TO QUESTION ON PAGE 43** No, don't ship the equipment until the screening is done. GE cannot agree to do business with a customer, supplier or any other third party until after all required Watchlist screening has been completed

WHAT TO DO

IMPLEMENT RIGOROUS PLANS to address the security of employees, facilities, information, IT assets and business continuity.

PARTICIPATE IN your business's emergency planning and emergency drills.

COMPLY WITH the entry and exit rules at GE facilities, including wearing the appropriate badge.

PROTECT ACCESS to GE facilities from all but authorized personnel.

PROTECT IT ASSETS from theft or misappropriation.

CREATE AND MAINTAIN a safe working environment — this includes identifying and reporting indicators of workplace violence.

COMPLY WITH global immigration rules when traveling internationally, and ensure that employees or visitors who work for you or are closely associated with your business also comply.

COMPLY WITH all GE international travel policies. Obtain appropriate pre-clearances to designated countries.

CONDUCT appropriate background checks on new hires and contractors, wherever allowed by law.

ENSURE PROPER BUSINESS continuity plans are prepared for an emergency.

SCREEN all customers, suppliers, agents and dealers against appropriate terrorist Watchlists.

REPORT ANY APPARENT security lapses to your manager, Crisis Management Leader or GE Ombudsperson.

WHAT TO WATCH OUT FOR

INDIVIDUALS AT GE FACILITIES not wearing appropriate badges.

UNSECURE IT ASSETS, such as laptops, servers, etc.

INADEQUATE PROTECTION of hazardous materials.

UNSECURE AREAS OF A FACILITY where only authorized personnel are allowed to enter.

SECURITY COMPLAINTS from employees, customers or neighbors.

UNAUTHORIZED ENTRY to a facility.

DOING BUSINESS with a customer, supplier or any third party without sufficient screening.

Section Five

Intellectual property
Controllership
Conflicts of interest
Insider trading & stock tipping

Protecting GE assets



One of our products will soon have a new feature that will really help it outperform the competition. A big customer of mine is pressing me to describe the new feature to her now, because she needs to make her buying decisions this week. I know GE wants to patent the feature, but I'm not sure the application has been filed yet.

Can I show the customer the new feature?

SEE PAGE 50:
INTELLECTUAL PROPERTY

I'd like to persuade my customer to purchase a new product before they really need it, because it will help me exceed my quarterly sales goals. I could offer them a discount, and we could hold the product at our plant until they need it.

If the customer agrees, can I do this?

SEE PAGE 52:
CONTROLLERSHIP



Intellectual property

WHAT TO KNOW

GE's intellectual property is one of its most valuable assets. All employees must work to safeguard our patents, trademarks, copyrights, trade secrets and other proprietary information. At the same time, it is critical that we respect the valid intellectual property rights of others. Unauthorized use of others' intellectual property can expose the Company and even individual GE employees to civil law suits and damages, including significant fines and criminal penalties. A key to protecting our intellectual property and, at the same time, guarding against these risks, is the timely and reasonable review of new GE products, services, processes and software, for possible inventions and trade secrets and infringement of the intellectual property rights of others.

? **ANSWER TO QUESTION ON PAGE 49** No. Patent counsel should be consulted first, because showing the feature to the customer before a patent application is filed could result in the loss of GE's right to obtain a patent.

WHAT TO DO

IDENTIFY AND PROTECT GE intellectual property.

FOLLOW THE REQUIREMENTS of GE's Submitted Ideas Procedure (found at [ge.com/en/subidea](https://www.ge.com/en/subidea)) in handling any unsolicited ideas from outsiders as well as any employee ideas not covered by the "Employee Innovation and Proprietary Information Agreement" (EIPIA). For more information, consult the "Intellectual Property Rights" Management Procedure found at [integrity.ge.com](https://www.integrity.ge.com).

RESPECT VALID PATENTS, copyrighted materials and other protected intellectual property of others.

CONSULT with Company legal counsel concerning necessary licenses or approvals to use protected intellectual property of others such as patents, trademarks or proprietary information (i.e. information that is in confidence and not publicly known or generally available).

CONSULT with company legal counsel before:

- Soliciting, accepting or using proprietary information of outsiders (for example, soliciting from a customer proprietary information of a competitor).
- Disclosing GE proprietary information to outsiders.
- Permitting outsiders to use GE intellectual property.

UNDERSTAND YOUR RESPONSIBILITIES to the Company regarding new inventions, ideas that you may develop as a GE employee and the Company's information. Consult with company legal counsel if you have any question about these responsibilities, or about the EIPIA (signed by exempt employees and other employees in a position of trust or likely to make inventions).

COMPLY with the guidelines for use of the GE primary trademarks and trade names (available at [gebrandcentral.com](https://www.gebrandcentral.com)) and GE's "Intellectual Property Rights" Management Procedure found at [integrity.ge.com](https://www.integrity.ge.com).

WHAT TO WATCH OUT FOR

ACCEPTING PROPRIETARY INFORMATION belonging to an outsider, without first consulting company legal counsel.

DISCUSSING GE PROPRIETARY INFORMATION with customers or suppliers.

USING ANOTHER COMPANY to develop new products or software without a written agreement in place covering ownership and other rights in the developed intellectual property.

PASSING ON, for technical or management review, an outsider's suggestion for a new product, product feature, service or name,

without following the GE Submitted Ideas Procedure (found at [ge.com/en/subidea](https://www.ge.com/en/subidea)).

INTRODUCING, OR PROVIDING INFORMATION about, a new product or service before patent applications have been filed or a decision has been made not to file an application.

INTRODUCING A NEW PRODUCT or service, or new product or service name, before checking for patent or trademark infringement.

THREATENING anyone suspected of infringing any GE intellectual property without first consulting with company legal counsel.

EMPLOYING A NEW PERSON, especially a person who previously worked for a competitor, without putting in place safeguards to prevent the person from inadvertently disclosing or using the proprietary information of the previous employer.

EMPLOYING A PERSON who has not signed the EIPIA in a job where inventions are likely to be made.

Controllership

WHAT TO KNOW

Controllership embodies three fundamental elements: (1) rules that classify transactions and balances appropriately; (2) systems and controls that protect assets and accumulate information consistently and correctly; and (3) financial and transaction reporting that is timely and unbiased. Controllership creates the right environment for disclosing timely, reliable and accurate information to government agencies and the public.

? **ANSWER TO QUESTION ON PAGE 49** No. This can be damaging both economically (giving away margin and putting strain on a customer relationship) and from an accounting standpoint (not technically a sale, as the rules for revenue recognition have not been met).

WHAT TO DO

FOLLOW GE'S GENERAL ACCOUNTING PROCEDURES, as well as applicable generally accepted accounting principles, standards and regulations for accounting and financial reporting.

ENSURE THAT FINANCIAL AND NON-FINANCIAL INFORMATION and operating metrics are reported accurately and in a timely fashion.

MAINTAIN COMPLETE, ACCURATE AND TIMELY records and accounts to appropriately reflect all business transactions.

SAFEGUARD ALL COMPANY ASSETS (physical, financial and informational).

PROVIDE TIMELY, CANDID FORECASTS and assessments.

MAINTAIN SOUND PROCESSES and controls.

COMPLY WITH GE'S DOCUMENT MANAGEMENT PROCEDURES (found at integrity.ge.com) as well as all applicable laws and regulations relating to the preservation of documents and records.

PRESERVE DOCUMENTS AND RECORDS relevant to pending or reasonably foreseeable litigation, audits or investigations, and as directed by Company counsel.

WHAT TO WATCH OUT FOR

FINANCIAL RESULTS THAT SEEM INCONSISTENT with underlying performance.

INACCURATE FINANCIAL RECORDS, such as overstated travel and living expense reports, or erroneous timesheets or invoices.

TRANSACTIONS THAT ARE INCONSISTENT with good business economics.

ABSENCE OF CONTROLS to protect assets from risk of loss.

PHYSICAL ASSETS or other resources that could be more fully used, reallocated or disposed of.

CIRCUMVENTING REVIEW and approval procedures.

INADEQUATE ROUTINES AND CONTROLS at newly acquired businesses and at remote and/or understaffed sites.

INADEQUATE ROUTINES AND CONTROLS to preserve documents (including e-mail) for pending or reasonably foreseeable litigation, audits and investigations.

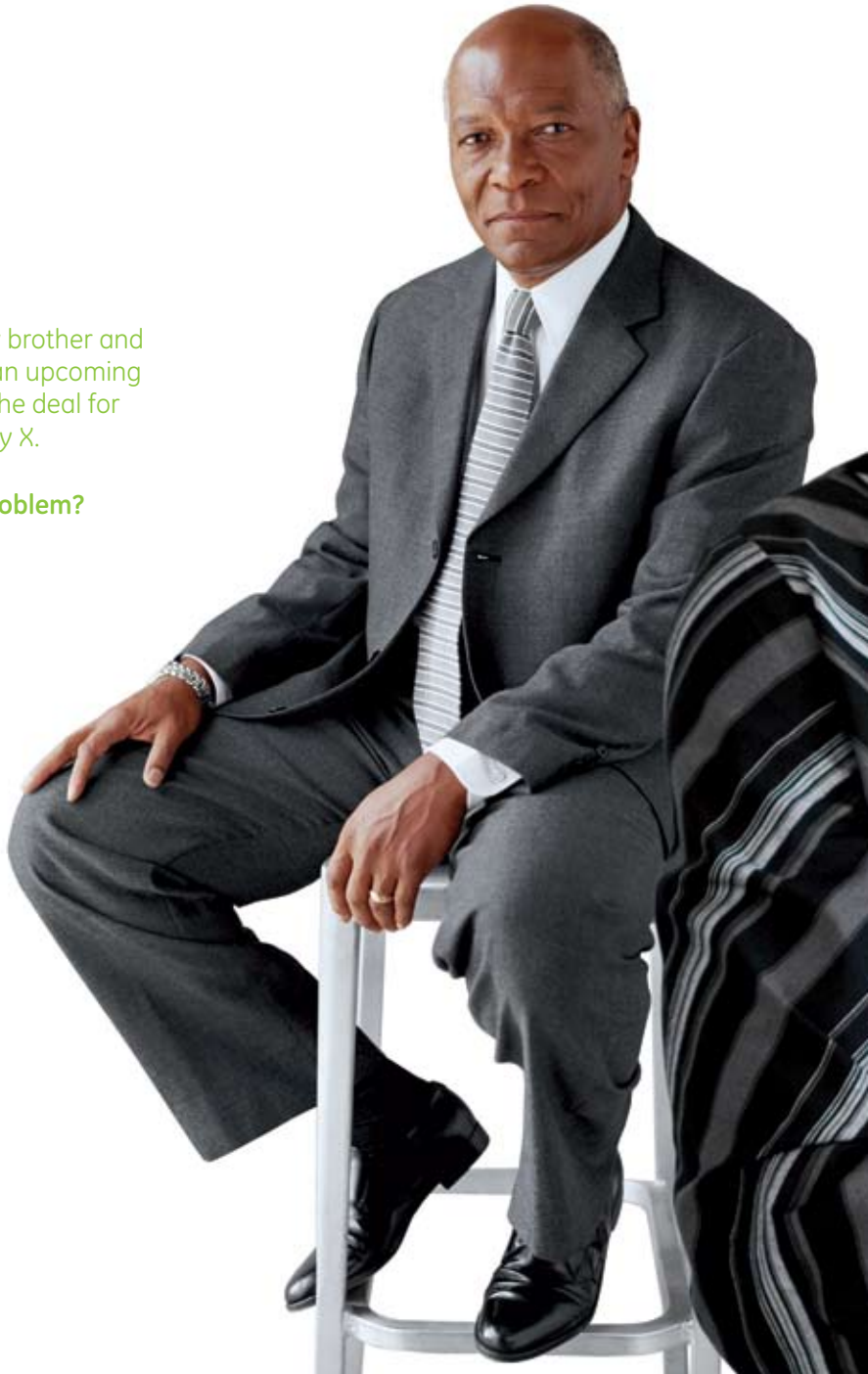
DISPOSAL OF DOCUMENTS without knowing what is being discarded or whether the documents are subject to legal preservation requirements.


FALSE OR EXAGGERATED STATEMENTS in e-mail, presentations or other documents.

I was chatting with my brother and mentioned that I had an upcoming business trip to close the deal for GE to acquire Company X.

Could this create a problem?

SEE PAGE 58:
INSIDER TRADING & STOCK TIPPING





Your cousin owns a company that supplies raw materials to a GE business.

Is that a prohibited conflict of interest, no matter what GE business you're in?

SEE PAGE 56:
CONFLICTS OF INTEREST

Conflicts of interest

WHAT TO KNOW

On the job or in your free time, nothing you do should conflict with your responsibilities to GE. No activity at work or at home should hurt GE's reputation or good name. Misusing GE resources or influence is also prohibited. Even when nothing wrong is intended, the appearance of a conflict can have negative effects. It is crucial to consider how your actions might appear, and to avoid the perception of a conflict of interest.

? **ANSWER TO QUESTION ON PAGE 55** This is not explicitly prohibited, but the Conflicts of Interest policy requires that you disclose the situation to GE management, and that you not attempt to influence GE business with your cousin's company.

WHAT TO DO

DISCLOSE (in writing to your manager and to company legal counsel) all of your outside activities, financial interests or relationships that may either present a conflict or the appearance of one.

USE GOOD JUDGMENT in all personal and business dealings outside your GE job.

AVOID ACTIONS OR RELATIONSHIPS that may cause potential conflicts or create the appearance of a conflict with your job or GE's interests.

DO NOT MISUSE or use for personal gain GE resources, intellectual property, time or facilities—this includes office equipment, e-mail and computer applications.

DO NOT TAKE for yourself personally any opportunities that GE could have an interest in that are discovered through the use of GE position, information or property.

GET APPROVALS before accepting officer or director positions with an outside business while you are a GE employee.

GET YOUR MANAGER'S APPROVAL when accepting not-for-profit board positions, particularly if the organization has a GE relationship or might expect GE financial or other support.

WHAT TO WATCH OUT FOR

FINANCIAL INTERESTS in a company where you could personally affect GE's business with that company (for example, a customer, supplier or investment).

PART-TIME JOBS which you perform using GE hours or GE equipment or materials.

GIFTS of other than nominal value from suppliers, customers or competitors, particularly if you're making decisions (on GE's behalf) that involve them.

PERSONAL DISCOUNTS or other benefits from suppliers, service providers or customers that the public or your GE peers do not receive.

DIRECTING BUSINESS to suppliers when you know they are owned or managed by your family members or close friends.

MISUSING GE RESOURCES, your position or influence to promote or assist an outside activity.

HIRING, PROMOTING OR DIRECTLY SUPERVISING a family member or close friend.

PERSONAL RELATIONSHIPS that may conflict with your GE responsibilities or compromise company interests.

Insider trading & stock tipping

WHAT TO KNOW

In the course of your job, you may learn of material information about GE or other companies before it is made public. You may simply overhear a hallway conversation or come across a memo left at a copy machine. Using this information for your financial or other personal benefit or conveying this information to others constitutes a violation of this policy and may even violate the law. This includes buying or selling the securities of any company about which you have material non-public information and giving this “inside information” to anyone else who might base financial trades on the information you’ve shared.

? **ANSWER TO QUESTION ON PAGE 54** Yes, if Company X is a public company and the possible acquisition of Company X has not been publicly announced. If your brother trades Company X stock based on your tip, both of you could be charged with insider trading.

WHAT TO DO

DO NOT BUY OR SELL the securities of any company, including GE, either directly or through family members or other persons or entities, while you are aware of inside information about the company. (This is known as “insider trading.”)

DO NOT RECOMMEND OR SUGGEST that anyone else buy or sell the securities of any company, including GE, while you have inside information about the company. (This is known as “tipping.”)

MAINTAIN THE CONFIDENTIALITY of Company information and do not convey information to anyone outside the Company unless it is necessary for the Company’s business activities.

IF THE NATURE OF YOUR BUSINESS’S ACTIVITIES and your position in the business subject you to additional requirements relating to buying and selling securities (such as pre-clearing personal trades through the Transaction Control Authority, found at integrity.ge.com), learn and follow all of those requirements.

IF QUESTIONS ARISE, consult company counsel before trading in the security or disclosing company information.

WHAT TO WATCH OUT FOR

NON-PUBLIC INFORMATION WHICH, IF DISCLOSED, would reasonably be expected to affect the price of a security or would influence your decision to buy, sell or hold a security, such as an earnings announcement or a prospective acquisition announcement (this is known as “inside information”).

BUYING OR SELLING A SECURITY because you hear or learn of information at work that you think will make the price go up or down once it’s publicly announced.

ENGAGING IN TRADING ACTIVITY around the time of a significant company announcement.

DISCUSSING GE BUSINESS with family and friends.

TALKING ABOUT WHAT YOU’RE WORKING ON or where you’re going on company business or who visited the office.

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Appendix

WHICH LAW APPLIES

GE conducts business in more than 100 countries around the world. Our employees are citizens of many different countries. As a result, our operations are subject to the laws of many countries, provinces, states and municipalities, and organizations such as the European Union.

An important challenge for all of us is to understand how these laws may apply to our operations. GE, the parent company, is a corporation organized in the United States. The laws of the United States frequently extend to the operations of GE and its affiliates throughout the world, as well as to the business activities of GE employees wherever they live and work. Other countries may also apply their own laws outside of their borders to their own citizens and to corporations that are organized under their laws, such as GE subsidiaries or other controlled affiliates.

The references in GE policies to the laws of the United States and the other countries where we do business reflect the reality that a global company is regulated by many different laws at the same time. In some instances, there may be a conflict between the applicable laws of two or more countries. When you encounter such a conflict, it is especially important to consult company legal counsel to understand how to resolve that conflict properly.

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- Complete policies, including questions and answers
- Procedures and guidelines
- How to raise a concern
- How to contact an expert
- Business integrity Web sites
- Compliance training
- Tools and resources



imagination at work

Appendix B - Definition of subsidiary Company according to Italian law

Art. 2359 of the Italian Civil Code:

Subsidiary Companies are:

- 1) Companies in which another Company possesses a majority of votes that may be exercised at an ordinary shareholders' meeting;
- 2) Companies in which another Company possesses enough votes to exercise a dominant influence at an ordinary shareholders' meeting;
- 3) Companies that are under the dominant influence of another Company by virtue of special contractual restrictions with it.

In order to enforce numbers 1) and 2) in the first paragraph, the voting rights of subsidiary Companies, fiduciary Companies and by proxy, shall also be counted; the voting rights of third parties shall not be counted.

Companies in which another Company exercises a marked influence shall be considered subsidiary. This influence is presumed when at least a fifth of the votes can be exercised at a shareholders' meeting, or a tenth, if it is a Company listed on the stock exchange.

Art. 26 of Law Decree No. 127 of April 9, 1991:

- 1) For all legal purposes of Art. 25, subsidiary companies shall be those listed under items 1) and 2) of Art. 2359, par. 1, of the Italian Civil Code.
- 2) For the same purposes, subsidiary companies shall in any case be those:
 - a) in which another Company has the right, by virtue of a contract or a statutory clause, to exercise a dominant influence when the effective law permits such contracts or clauses;
 - b) in which another Company, on the basis of agreements with other shareholders, has sole control of the majority of voting rights.
- 3) In order to enforce the preceding paragraph, the rights shall also be taken into account of subsidiary Companies, fiduciary Companies, and by proxy; the voting rights of third parties shall not be considered.

Appendix C – Interpretation and reporting of violations

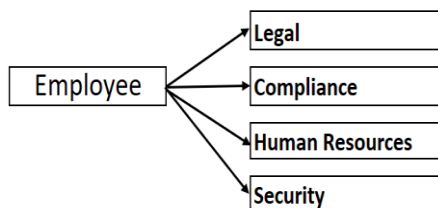
For any queries on specific provisions or requests for clarification in respect to the Code, employees are invited to contact Compliance Department, Legal Department, Security Department and/or the HR Department of the concerned Avio Aero Company.

If an employee wishes to report a violation (or alleged violation) of the Code, the same must contact the Supervisory Body also through the email address ODV.Avioaero@avioaero.it, its direct manager, Compliance Dept. Legal Dept, Security Dept., HR Dept., sent his/her concern in the appropriate boxes and / or contact the Ombudsperson

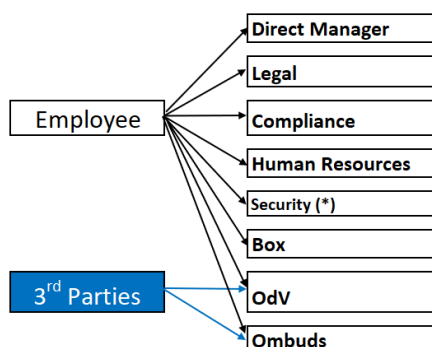
If a third party wishes to report a grievance (or alleged violation), must contact the Supervisory Body also through the email address ODV.Avioaero@avioaero.it, the Ombuds person or use the specific channels that will be identified for this purpose by Avio Aero.

In all cases in which behaviors, risks, crimes or irregularities are detected, consumed or attempted, to the detriment of the Company, even only in terms of image, envisaged as "predicate offenses" pursuant to Legislative Decree 231/2001 or mere violations of the Model and of the Group's Code of Ethics, the information flows identified under Model 231, paragraph "Whistleblowing" must be activated.

Interpretation



Grievances



(*) with exclusive competence to investigate security incidents relating to classified information and the protection of activities of strategic importance.