



Elbit Systems of America

Code of Business Conduct and Ethics



Commitment to Integrity

The Core of Our Business Integrity – Always doing the right thing.

What this means for each member of our team:

- Obey applicable laws and regulations governing our business conduct.
- Be honest, fair and trustworthy in all company 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 our company and community.
- Strive to create a safe workplace and to protect our environment.
- Through leadership at all levels, foster and support a culture where ethical conduct is valued and exemplified by all employees.

Remember These Rules:

- Know the applicable legal and company standards.
- Follow these standards – always.
- If you are ever unsure what is the right thing to do – ask.
- Keep asking until you get the answer.



Dear Colleagues,

This booklet contains the Code of Business Conduct and Ethics (the "Code") that has been adopted by Elbit Systems of America, LLC ("Elbit Systems of America"). This Code applies to Elbit Systems of America and all of its subsidiaries (each a "Site;" collectively, "ESA"). It summarizes the principles that guide our actions in the marketplace as we strive to be the world's finest enterprise. Read it carefully and ask questions to ensure that you understand how it applies to your job. This Code is also intended to inform all employees of ESA of their legal and ethical obligations to our organization. As you will see, we have very high standards of ethical business conduct and integrity.

ESA is strongly committed to the highest standards of business ethics and integrity. *Truth, honesty, integrity, and corporate citizenship* (i.e., compliance with the law) reflect the core principles of our corporate culture. We have gained, and retained, our customers' and the public's trust because of our dedication to these core corporate values. This confidence is our most valued asset.

We are committed to excellence in every activity. The business climate has never been as dynamic and competitive as it is today. In this environment, we must be faithful to our core principles as we perform our jobs. The pressure to succeed, both on an individual and corporate level does not relieve us of the responsibility "to do the right thing" every day. Our Code promotes not only "complying with the letter of the law," but also "complying with the spirit of the law" to maintain our personal and ESA's integrity. While we remain sensitive to the diverse social and cultural settings in which we conduct our business, ESA aims to maintain the highest standard for ethical conduct in our industry. Our decisions and actions must continue to fit within the framework of our core values and principles. Conducting business with integrity and ethics is critical to our continued future success.

We will achieve this through behavior in accordance with the spirit underlying our Code.

Obviously, the Code cannot anticipate every ethical or legal issue that may arise; nor is it feasible to attempt to define a course of action for every situation. Each of us will be well served if we apply to every situation the basic principles of honesty, fairness, integrity, and compliance with the law. If you have any questions regarding the legality or propriety of an action, or the meaning of the Code, you should contact the Elbit Systems of America General Counsel. Any failure on the part of an individual to meet the standards embodied in this Code can lead to disciplinary action, up to and including dismissal and criminal or civil sanctions.

We are proud of our employees and the important role ESA plays in our communities and our industry. Thank you for doing your part to create and maintain an ethical work environment and in contributing to our continued success.

Raanan I. Horowitz
President and Chief Executive Officer
Elbit Systems of America, LLC
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1. Introduction

A. Who We Are. Elbit Systems of America is a leading provider of high performance products, systems and solutions focusing on the defense, homeland security, medical instruments and commercial aviation markets. Elbit Systems of America is dedicated to supporting those who contribute daily to the defense and safety of the United States. Elbit Systems of America is wholly owned by Elbit Systems Ltd. (ESL), a global electronics company engaged in a wide range of programs for innovative defense and homeland security applications. ESL's shares are publicly traded in the United States on NASDAQ.

B. Importance of Ethics. Conducting our business honestly, ethically and properly is critical to Elbit Systems' continued success and growth. Elbit Systems of America has long had procedures relating to business ethics in order to help us maintain our good reputation and conduct our business activities in a compliant manner.

D. The Code. In furtherance of our commitment to ethical business conduct, ESA has created this Code of Business Conduct and Ethics (the "Code"). This Code is based primarily on ESL's Code of Business Conduct and Ethics and addresses additional areas focused primarily on compliance with United States law. It summarizes our policy and reflects the commitment of Elbit Systems of America and its wholly-owned and majority-owned subsidiaries (collectively, "ESA;" each a "Site") with respect to ethical business conduct. Compliance with this Code by our directors, officers and employees will help us successfully perform our business activities, maintain our good reputation and create an effective and positive working environment. This Code is meant to foster conduct by ESA and promote a culture among its staff that complies with not only the letter, but also the intent of all applicable governmental laws, rules and regulations, including but not limited to the Sarbanes-Oxley Act of 2002 and the United States Securities and Exchange Commission related regulations.

E. Other Company Procedures. This Code is supplemented by other Elbit Systems of America procedures relating to ethics and legal compliance issues.

F. Basic Standards. This Code sets out the basic standards of ethics and conduct for our directors, officers and employees. These standards, together with other applicable company procedures, are designed to promote honest and ethical business conduct, but will not cover all situations. If a law conflicts with our ethics policy, you must comply with the law. On the other hand our ethics policy, as expressed in this Code and supplemented in other procedures, takes precedence in the event of a conflict with a particular local custom or practice.

We are all accountable for adherence to the Code of Business Conduct.

G. Violations. Violations of the standards set out in this Code will be subject to disciplinary action up to termination of employment.



H. Where to Go With Questions. All employees should be familiar with this Code and other applicable ESA procedures, which are published on our internal computer network or intranet. If you have any doubts regarding whether a particular situation might violate our ethics standards, or if you have any other questions regarding ethics issues, you should contact the Legal Department or otherwise through our "Whistleblower" process as further described below. The matter will be reviewed and appropriate action will be taken consistent with this Code, other company procedures and applicable law.

2. Scope

A. Who Should Follow this Code. This Code applies to all officers and employees of ESA (collectively "employees"). More specifically, it applies equally to the Chief Executive Officer, President, the Chief Financial Officer and any other senior financial officers of each Company in ESA, as it does to all other officers and employees of each company. In addition, non-employee directors of Elbit Systems of America, although not technically "employees", are required to comply with all provisions of this Code that are logically and legally capable of applying to them. Because this Code imposes important ethical obligations on all of ESA's directors, officers and employees, it is imperative that everyone read this Code carefully. In addition, this Code applies to your own actions as well as those you may conduct indirectly through relatives, friends or other personal relationships.

Receipt and Acknowledgment

B. Your Personal Commitment. All employees are expected to treat compliance with ethical standards, as well as laws and regulations, as a critical element of their duties and responsibilities to ESA. Everyone will be expected, as a condition of employment or nomination to a board of directors, to read this Code and to sign the attached Acknowledgment, indicating their understanding of and agreement to all of the terms of this Code.

Ethics and integrity are fundamental to our success.

Accountability

3. Honest and Ethical Conduct

Each person subject to this Code has the responsibility to act honestly and ethically in conducting activities on behalf of ESA. When conducting company business, you are expected to always act in good faith and with responsibility, due care, competence and diligence. You should use your independent judgment with respect to questionable behavior and at all times conduct yourself in a manner that meets with ESA's ethical standards.



Obey the Law

4. Compliance with Laws, Rules and Regulations

A. You are required to comply with all applicable laws, governmental rules and regulations. This includes, but is not limited to regulations relating to the conduct of government tenders and procurement integrity. Although you are not expected to know the details of all applicable laws, rules and regulations, we expect you to be familiar with Elbit Systems of America's and applicable Site's published policies and procedures and to seek advice from the Legal Department if you have any questions about whether a legal requirement applies to a particular situation or what conduct may be required to comply with any law, rule or regulation.

B. What About Different Laws in Different Countries? ESA does business in many countries around the world and, as a good business citizen, we must observe the applicable laws of the countries in which we do business. In the event of a potential conflict between U.S. laws and the law of one of the other countries in which we operate, we will resolve the conflict in coordination with the Legal Department.

We will conduct our business in accordance with all applicable laws and regulations.

Make Accurate Public Disclosures

C. Public Disclosures. ESL's and ESA's policy is to provide appropriate, accurate and timely disclosure in all reports and documents that we file with, or submit to, the Israel Securities Authority, the United States Securities and Exchange Commission and applicable stock exchanges as well as in all other public communications made by ESL and ESA. If you have concerns about any aspect of our financial disclosures, you should talk to your immediate supervisor and the Legal Department. Any employee who is contacted by another employee expressing concerns about questionable accounting or auditing matters must immediately report those concerns to the Elbit Systems of America General Counsel.

Do Not Engage In Speculative or Insider Trading

5. Insider Trading

Since the shares of ESL are publicly traded, all persons having "inside information" regarding our activities are subject to applicable laws and regulations against "insider trading". If you have access to material, non-public information concerning ESL, you are not permitted to use or share that information for stock trading purposes, or for any other purpose except the conduct of our business. All non-public information about ESL should be considered proprietary or business sensitive information. Insider trading, which is the use of material, non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information, is not only unethical but also illegal. The prohibition on insider trading applies not only to our securities, but also to securities of other companies if you learn of material non-public information about these companies in the course of your duties for



ESL. Violations of this prohibition against "insider trading" may subject you to criminal or civil liability, in addition to disciplinary action by ESA.

We must always be alert.....

6. Fair Dealing

You should always deal in an ethical manner with our suppliers, competitors and employees as well as others with whom ESA does business. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or proprietary information, misrepresentations or any other unethical practice.

Steer Clear of Conflicts of Interest

7. Conflicts of Interest

You should handle ethically any actual or apparent conflict of interest between your personal and business relationships. Conflicts of interest are prohibited as a matter of ESA policy. A "conflict of interest" exists when a person's private interest interferes, or might reasonably be considered to interfere, in any way with the interests of ESA. A conflict situation arises if you take actions or have interests that interfere with your ability to perform your work for ESA objectively and effectively. Conflicts of interest also may arise if you, or a member of your family or other person affiliated with you as defined in Section 7.F below, receives an improper personal benefit as a result of your position with ESA.

If you become aware of any transaction or relationship that reasonably could be expected to give rise to a conflict of interest, you should report it promptly to the Elbit Systems of America General Counsel, Elbit Systems of America's Chief Executive Officer or as otherwise provided in the Whistleblower process attached to this Code.

The following are examples of standards applying to certain common situations where potential conflicts of interest may arise and should be read in light of Section indirect violations as described in Section 7.F below.

Avoid Illegal or Questionable Gifts or Favors

A. Gifts, Entertainment and Other Personal Benefits. Gifts, entertainment or other benefits may only be offered or accepted in accordance only with applicable ESA policy. As a general guideline, gifts, entertainment or other benefits may only be offered or accepted if:

1. done in a reasonable way in the ordinary course of the business relationship; and



2. the frequency and cost of any such gifts, entertainment or benefits are of an amount/value so as not to affect, or appear to affect, the ability to exercise independent business judgment.

When in doubt.....

share the facts of the situation with your supervisor and the Legal Department.

Knowing What the Right Thing To Do is the Key

B. Financial Interests in Other Organizations. The determination whether any outside investment, financial arrangement or other interest in another organization is improper depends on the facts and circumstances of each case. Your ownership of an interest in another organization may be inappropriate if the other organization has a significant business relationship with, or is a direct competitor of, ESA. In such case your financial interest would likely be inappropriate if it is of such a size that your ability to exercise independent judgment on behalf of ESA is or may appear to be compromised. As a general rule, a passive investment would not likely be considered improper if it: (1) is in publicly traded shares or debt; (2) represents less than 1% of the outstanding equity of the organization in question; and (3) represents less than 5% of your net worth. Other interests also may not be improper, depending on the circumstances.

Avoid the Appearance of Conflict of Interest

C. Outside Business Activities. The determination of whether any outside position an employee may hold is improper will depend on the facts and circumstances of each case. Your involvement in trade associations, professional societies, and charitable and similar organizations normally does not create a conflict of interest. However, if those activities are likely to take substantial time from or otherwise conflict with your responsibilities to ESA, you should obtain prior approval from your supervisor, Chief Operating Officer and the Legal Department. For a director, employment or affiliation with an organization with which ESA does business or competes must be fully disclosed to your employing company's Board of Directors and Elbit Systems of America General Counsel and must satisfy any other standards established by applicable law, rules (including rules of any applicable stock exchange) or regulation and any other corporate governance guidelines that ESA may establish.

D. Corporate Opportunities. You are prohibited from exploiting for your personal advantage, opportunities that are discovered through the use of company property, information or position, unless all required approvals are obtained. Similarly, you may not compete with ESA directly. You owe a duty to advance ESA legitimate interests whenever the opportunity to do so arises.

E. Hiring Process. Hiring decisions should be made solely on business rather than personal considerations. In addition, situations that could be viewed as nepotism, such as the hiring of close family members of directors, officers or employees in particular situations, should be avoided. Hiring persons previously employed by organizations that have a business



affiliation with ESA should be reviewed in advance with the Human Resources and Legal Department in order to avoid inappropriate or improper situations. Such organizations include independent auditors, other service providers, subcontractors, customers, end users and competitors.

F. Indirect Violations. You should not indirectly (such as through a spouse, family member, affiliate, friend, partner, associate or an entity with which you have an active or significant business or financial relationship) have any interest or engage in any activity that would violate this Code if you directly had the interest or engaged in the activity. Any such relationship should be fully disclosed to the Legal Department and your employing company's Chief Operating Officer (and in the case of a director, to the Elbit Systems of America Board of Directors), in order to determine whether the relationship is inappropriate based upon the standards of this Code.

Follow the Law and Use Common Sense in Political Activities

8. Political Activity

While ESA encourages its employees to become involved in civic affairs and to participate in the political process, employees should understand, however, that their involvement and participation must be on an individual basis, on their own time and at their own expense. You are free to engage in political activities on your personal time so long as those activities do not interfere with your work for ESA, and you do not involve or associate ESA in those activities in any way. Use of company property or resources for political purposes is prohibited.

Applicable law often prohibits corporations from donating corporate funds, goods, or services, directly or indirectly, to candidates for federal offices -- this includes employees' work time. Local laws also govern political contributions and activities as they apply to their respective jurisdictions, and similar laws exist in other countries. Accordingly, absent prior approval, as required by the applicable company's signature authority procedure, employees must not make any political contribution (whether in the form of cash, goods or services) either directly or indirectly, on behalf of ESA. For these purposes, use of any of ESA's facilities, equipment, supplies or manpower for political activities is considered to be a contribution.

The prohibitions above regarding political activities and contributions are not intended to interfere with the administration of Political Action Committees ("PACs") in the United States or similar arrangements in other countries in which ESA operates. PACs are supported by voluntary contributions from employees using their personal rather than ESA monies.

Safeguard Our Assets

9. Protection and Proper Use of Company Assets

You should protect and properly use ESA assets and property. Theft, carelessness, and waste have a direct impact on our profitability. All company assets should be used only for



legitimate business purposes. Use of our computer networks and other communication channels for inappropriate purposes is prohibited. Use of our computer networks and other communication channels for limited personal use is permitted.

Protect Proprietary Information

10. Confidentiality

A. The obligation of employees to protect company assets includes ESA proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing, financial, human resources, technical and administrative information that has not been properly released to the public domain. Unauthorized use or distribution of this information violates ESA policy. It could also be illegal and result in civil or even criminal penalties. Except when disclosure is specifically authorized or legally required you should maintain the confidentiality of all non public information that you obtain in the course of your work activities, whether or not entrusted to you by ESA or by persons with whom we do business.

Employees have an ethical and legal duty not to disclose non-public, proprietary or business sensitive information about ESA, employees, customers, business partners, suppliers, distributors, and others with whom we do business. You may have access to such information during the course of your work and you are responsible for ensuring that it is not made available to unauthorized persons. You should remember that unauthorized persons may include your co worker. Accordingly, you should discuss non public and proprietary or business sensitive information only with those persons you know to be authorized to receive, and that have a need to know the information. If you have any questions regarding this policy, you should consult with the Legal Department. Protection of ESA's proprietary or business sensitive information is vital to our success and growth in the competitive industry in which we work.

Employees shall not use proprietary or business sensitive information obtained in the course of their employment for the purpose of advancing any private interest or otherwise for personal gain. Employees should refer any requests for information (reference checks, credit reporting, etc.) about present or former employees of ESA to the Human Resource Department.

If someone outside ESA asks you questions, either directly or through another person, you should not attempt to answer them unless you are certain that you are authorized to do so. Similarly, unless you have been specifically authorized to speak with reporters, industry analysts, or to anyone else writing or reporting about ESL or ESA, direct the person to the Elbit Systems of America General Counsel. If you do not know which functional area the questioner should be referred, ask the Legal Department.

In all contacts with competitors of ESA, you should not discuss prices, terms and conditions of sale, costs, inventories, marketing and product plans, market surveys and studies, production plans and capabilities — and certainly any other ESA non-public, proprietary or business sensitive information or asset. Such breach may cause criminal and civil liabilities to be incurred by you as well as ESA.



B. Post-Employment Obligations. If you leave ESA for any reason, including retirement, you have continuing obligations to protect ESA non-public, proprietary information and assets. You may not disclose or misuse any ESA non-public, proprietary information or asset. Also, ESA ownership of intellectual property you created while you were employed by ESA continues after you leave ESA. ESA will take every step necessary, including legal measures, to protect its non-public, proprietary information and assets. Additionally, you may have post employment obligations to safeguard "classified" information which you had access during your tenure at ESA.

Keep confidential and proprietary information protected and secure.

11. Bribery and Fraud

A. Customers and Suppliers. ESA policy prohibits bribes, kickbacks and other similar payoffs and benefits paid to any supplier or customer (including employees, agents and consultants of same). Employees and ESA representatives are also prohibited from receiving, directly or indirectly anything of a significant value (other than salary, wages or other permitted compensation from ESA) in connection with any transaction entered into by or on the behalf of ESA.

B. Government Officials. ESA policy prohibits the giving or promising to give anything of value to government officials (including officials of foreign governments) for the principal of obtaining or retaining business.

Keep Accurate and Complete Records

12. Corporation Records and Reporting

A. Accurate Records. In keeping with their legal and ethical obligations, all employees who are involved in any manner with the preparation and/or filing of any reports or documents that ESA is required to file or submit to any governmental agency, are expected to make full, fair, accurate, timely and understandable disclosure in all such reports. In furtherance of this objective, all employees must maintain accurate records and retain them in accordance with the law.

The falsification of any of ESA's books, records or documents will result in immediate dismissal. In addition, falsification of ESA books and records is a felony under applicable laws.

*No one should rationalize or even consider.....
Misrepresenting facts or falsifying records.*

Employees are expected to exercise good judgment and standards when creating any ESA records, including e-mail. When creating any records or documents, employees should keep in mind that such records may need to be interpreted at a later time with the benefit of hindsight and/or the disadvantage of imperfect recollections or the lack of availability of the author to shed light on the written records.



Employees are required to fully cooperate with audits conducted by ESA's internal audit staff, external auditing firm or state and federal regulatory examiners. Questions raised by the auditors or examiners must be answered honestly and no adverse information may be concealed.

Employees are required to cooperate fully with any appropriately authorized internal or external investigations in accordance with applicable internal company procedures. The making of any false statement to or misleading of internal or external auditors, ESA representatives or regulators can be a crime and may result in severe penalties. Employees should never withhold information that may seem to raise an ethical issue.

Know the Rules of Road

13. Antiboycott

United States law prohibits United States citizens' participation in other nation's economic boycotts or embargoes that are not sanctioned by the United States. It is the policy of ESA to comply with United States law, both in the letter and spirit of the law.

All ESA employees are responsible for assuring that ESA complies with United States' laws prohibiting ESA from participation in any unauthorized foreign boycott and promptly reporting a request to cooperate with a foreign boycott.

Prohibited conduct under United States' antiboycott laws includes:

- any agreement to refuse or actual refusal to do business with or in Israel or with blacklisted companies;
- any agreement that discriminates against other persons based on race, religion, sex, national origin or nationality;
- any agreement to furnish information about business relationships with Israel or blacklisted companies;
- any agreement to furnish information about the race, religion, sex, or national origin of another person; and
- Implementation of letters of credit containing prohibited boycott terms or conditions.

Requests to cooperate in a foreign boycott can arise in many contexts, including, but not limited to, transaction documents, shipping documents, side letters, quotations, etc. All requests to cooperate with a foreign boycott should be reported immediately to the Elbit Systems of America General Counsel.



Know and Follow the Law When Involved in International Business

14. Trade Restriction, Export Controls and Sanctions

Although ESA operates in many countries throughout the world, as a United States organization, ESA must comply with the export administration and international economic sanctions laws of the United States. ESA policy requires that ESA and its employees, agents and consultants conduct all of ESA business and export all ESA products, services and technology in compliance with such United States' laws. There are no exceptions to this policy.

United States laws and regulations prohibit export by ESA (including the parent and any subsidiary of Elbit Systems of America) of certain technologies without an approved United States export license. Such United States laws and regulations also prohibit ESA from allowing the diversion or reexport of properly exported products from one destination to a prohibited destination. Further, United States law also prohibits exporting to, dealing with, or transacting business with certain sanctioned countries or prohibited individuals/entities.

ESA has established a comprehensive internal monitoring program to ensure compliance with such laws. The requirements of these laws are complex and are sometimes difficult to understand. Any questions concerning the requirements of ESA policy or the applicable law should be addressed to the Legal Department. All employees must observe all requirements of these United States' laws and ESA internal controls program.

15. Homeland Security and Money Laundering Prohibition

ESA is committed to complying with both the letter and spirit of the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (or USA PATRIOT ACT) Act of 2001" ("Patriot Act"). The Patriot Act was enacted in October of 2001, largely in response to the events of September 11, 2001. The Patriot Act became effective on April 24, 2002, and is intended to enhance the powers of the federal government and law enforcement organizations to deter and punish terrorist acts in the United States and around the world. The Patriot Act requires ESA to establish and maintain an anti-money laundering compliance program. The penalties for violation of the Patriot Act include large civil and criminal fines, and each ESA employee, agent or consultant should be mindful of the Patriot Act's requirements and ESA policies regarding Patriot Act compliance.

In conjunction with its insistence on compliance under the Patriot Act, ESA is also committed to complying with both the letter and spirit of Executive Order 13224 addressing global terrorism ("Executive Order"). The Executive Order, issued by President George W. Bush, became effective on September 24, 2001, and sets forth a list of target groups ("Target Group List") which are involved in global terrorism or are associated with designated terrorist groups. The Target Group List is continuously updated and can be found at www.treas.gov/office/enforcement/ofac/sdn/index.html. The Executive Order PROHIBITS U.S. persons (including U.S. citizens, permanent resident aliens, persons within the U.S., U.S. entities and foreign branches of U.S. entities) from participating in any transaction (i) that involves the making or receiving of any contribution of funds goods or services to or for the



benefit of any person or entity on the Target Group List; (ii) that evades, avoids or violates the purposes of any prohibitions set forth in the Executive Order; or (iii) that involves any conspiracy formed to violate any prohibitions set forth in the Executive Order. The penalties for violation of the Executive Order include large civil and criminal fines, and each ESA employee, agent or consultant should be mindful of the Executive Order's requirements and ESA policies regarding compliance therewith.

Compliance by ESA with all requirements under the Patriot Act and the Executive Order is mandatory and ESA will not tolerate any violation of the Patriot Act, the Executive Order or ESA policies regarding same.

United States Government Procurement: Know and Always Follow the Law

16. Working With the United States Government

One of our customers is the government of the United States. The laws and regulations relating to doing business with the government are complex. Follow these laws carefully to protect ESA's reputation.

A. Bribes and Kickbacks. ESA adheres to all aspects of the United States' Anti-Kickback Act. Employees must never offer, give, ask for, or take any form of bribe or kickback. A bribe or kickback is the giving or accepting of money, fees, commissions, credits, gifts, favors, or anything of value that is either directly or indirectly provided in return for favorable treatment. Favorable treatment often can appear innocent, such as paying an invoice earlier than we normally would. However, favorable treatment is illegal when offered in exchange for a gift.

B. Billing and Pricing. ESA is clear and accurate in every aspect of our billing and pricing. Our prices reflect the cost to design and produce our products, our level of effort, market conditions, and other relevant factors.

Invoices must be clear and understandable. Overpayments will be returned promptly upon discovery.

Our bills to the government must be timely, accurate, and honest. The United States' False Claims Act makes it unlawful to present to the government a false or fraudulent claim. We must never improperly shift costs between contracts or projects.

When engaged in billing and pricing, you have the following responsibilities:

- Be accurate in pricing;
- Bill appropriate projects;



- Do not split invoices to hide costs or avoid payment procedures;
- Ensure bills are accurate, timely, and complete.

C. Contract Compliance. ESA will comply with all of the terms of our contracts. We deliver the goods and services as promised. We will never substitute material, change testing, or alter quality control requirements except in accordance with applicable government procedures. ESA never certifies that something has been tested when it has not been.

To comply with the terms of our contracts, you have the following responsibilities:

- Document how ESA has met its contract obligations;
- Do not make substitutions without following government procedures;
- Perform all tests in accordance with the terms of the contract.

D. Gratuities, Gifts, and Entertainment; Government Customers. ESA competes solely on the merits of our products and services. We do not try to influence a customer's decision to purchase from ESA by offering gifts, meals, or entertainment. Government agencies have regulations prohibiting their employees' acceptance of items of value from contractors or suppliers. ESA carefully follows these regulations and policies when dealing with agency representatives. These regulations are complex, so make sure you understand them. Consult with your supervisor or the Legal Department should you have any questions.

E. Foreign Government Personnel and Public Officials. The giving of gifts, meals, or anything of value to foreign officials may be prohibited. Employees must get advance approval from the Elbit Systems of America General Counsel before offering or giving any items to foreign public officials.

F. Hiring Former Government Employees. Federal law restricts the hiring of certain government employees who were involved in awarding or administering government contracts to ESA. Be careful to get advice from the Legal Department before recruiting, interviewing, hiring, or assigning work to former federal government employees.

G. Procurement Integrity. ESA follows the government's procedures for awarding contracts. We will not ask officials to disclose the proprietary information of our competitors, nor will we ask for source selection material—the material the government has developed to evaluate competing bids. We are careful not to share any of our own proprietary information with government officials who are not on the government's list of approved persons. We do not discuss employment or offer anything of value to government employees who participate in the procurement process.

H. Security of United States Government Information. ESA has an obligation to protect classified information. We will not seek access to information for which we do not have proper clearance and the need to know.



It is your responsibility to follow all company and United States government procedures for handling classified information.

17. Industrial Espionage

It is ESA's policy to lawfully compete in the marketplace. This commitment to fairness includes respecting the rights of our competitors and abiding by all applicable laws in the course of competing. The purpose of this policy is to maintain ESA's reputation as a lawful competitor and to help ensure the integrity of the competitive marketplace. ESA expects its competitors to respect our rights to compete lawfully in the marketplace, and we must respect their rights equally. ESA employees, agents and contractors may not steal or unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone including suppliers, customers, business partners or competitors.

18. Software Pirating and Copyrighted Material

You should never, without an appropriate license or ESA permission, copy or distribute copyrighted material; for example, software, database files, documentation, or articles using our computer or e-mail systems.

19. Code Interpretations and Approvals

If it is not clear to you whether a particular activity or relationship is improper or if an approval is required under this Code or any written ESA policy or procedure, you should disclose it to the Legal Department. A determination will then be made as to whether there is a violation of the Code or whether an approval can be granted. You may be required to agree to conditions before receiving any required approval. Approvals granted to an executive officer or director may be subject to regulatory disclosure and other requirements.

Reporting Suspected Violations

20. Reporting any Illegal or Unethical Behavior

A. Importance of Reporting. Reporting of illegal or unethical conduct is an important element in our ability to meet the standards described in this Code. You should promptly report violations of laws, rules, regulations, this Code or applicable ESA policy to the Legal Department or as provided in the Whistleblower process attached hereto. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. All reports of violations of this Code will be promptly investigated and, if found to be accurate, acted upon in a timely manner. Employees are expected to cooperate in internal investigations of misconduct.

Doing right is the right thing to do.



B. Reports Relating to Financial Matters or Internal Controls. If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of ESA's system of internal controls, and such report is not provided directly to a member of the Audit Committee of Elbit Systems of America's Board of Directors, a copy of the report will be promptly provided to the Chairman of Elbit Systems of America's Audit Committee, and the Audit Committee may participate in the investigation and resolution of the matter.

C. Whistleblower Process. In order to encourage employees to report violations of applicable laws, rules, regulations or this Code, such reports need not be signed and may be sent anonymously. It is our policy not to allow actual or threatened retaliation, harassment or discrimination due to reports of misconduct by others made in good faith by employees. It enables employees to report matters in a discrete manner directly to the Legal Department, or if they so chose to the Elbit Systems of America General Counsel or a member of the Audit Committee.

D. Reports to the Audit Committee. The Elbit Systems of America General Counsel will provide quarterly reports to the Elbit Systems of America Audit Committee regarding ethics matters and will promptly notify the Audit Committee with respect to any ethics issues relating to financial or internal control matters.

E. Addresses for Reporting. Reports or questions relating to this Code may be addressed to the Legal Department or to the Elbit Systems of America's General Counsel, CEO or members of the Audit Committee in accordance with the addresses set forth in Annex A hereto.

21. The Code is Enforceable by ESA Only

This Code is for the benefit of ESA, and no other person or entity is entitled to enforce this Code. This Code does not, and should not be interpreted to, create any private cause of action or remedy in any other person or entity for a violation of the Code. In addition, this Code should not be construed as a contract of employment and does not change any person's employment status. In adopting and publishing this Code, our Code requirements may be more restrictive than the requirements of applicable law and industry practice. Nothing contained in this Code should be construed or applied as binding interpretation or definition of law or industry practice. Any violation of law is strictly prohibited and is beyond the scope of authority of all ESA employees, officers, directors and representatives of ESA. Nothing in the Code alters the nature of the employment relationship which exists between ESA and its employees that are not subject to written employment agreements. Rather, the Code helps each of us to know what is expected of us to ensure we always act ethically. We may amend or alter this Code and any ESA policy at any time



22. Indirect Violation

An employee should not engage in any activity or conduct that would violate this Code through an immediate family member, friend, partner, or associate. Said another way, an employee cannot do through someone else what he or she is prohibited from doing under this Code or any ESA policy.

23. We Will Not Tolerate Retaliation

Retaliation in any form against an individual who makes a report, in good faith, of a suspected violation of this Code, ESA policy, or of law (even if the report is mistaken), or against anyone who assists in the investigation of a reported violation, is itself a violation of our Code and ESA policy. Acts of retaliation will not be tolerated and should be reported immediately.

No retaliatory action will be taken against any employee who reports or investigates, in good faith, suspected illegal activity or violations of the Code or ESA Policy.

24. Summary of What You Are Expected To Know and Do

A. Be Familiar with the Code. You are expected to be familiar with this Code and other related ESA procedures.

B. The Code is Only a General Guideline. This Code is intended as a statement of basic principles and standards and does not include specific rules that apply to every situation. The Code also should be viewed within the framework of our other policies, practices, instructions and the requirements of the law. In addition, the absence of a specific corporate policy, practice or instruction covering a particular situation does not relieve you of the responsibility for acting ethically under the circumstances.

C. Checklist of Things to Consider. In many situations it may be difficult to know the proper course of action. Because this Code does not anticipate every situation that may arise, it is important that you approach a new question or problem in a deliberate fashion:

1. Determine if you know all the facts and identify exactly what it is that concerns you.
2. Discuss the problem with a supervisor or, if you are an executive officer or director, with the Elbit Systems of America General Counsel.
3. Seek help from other resources such as other management personnel.
4. Seek guidance before taking any action that you believe may be, or may appear to be, unethical or improper.



D. The Standards to Which You Will be Held. You are expected to meet the following compliance standards:

1. You are personally responsible for your own conduct and for complying with all provisions of this Code, or applicable ESA policy, and for properly reporting known or suspected violations.
2. If you are a supervisor, manager or officer, you should use your best efforts to diligently ensure that employees understand and comply with this Code.
3. No one has the authority or right to order, request or even influence you to violate this Code or the law. A request or order from another person or employee will not be an excuse for your violation of this Code or ESA policy.
4. Any attempt by you to induce a director, officer or employee of ESA (or any affiliate) to violate this Code, whether successful or not, is itself a violation of this Code and may be a violation of law.
5. Any retaliation or threat of retaliation against any director, officer or employee of ESA for refusing to violate this Code, or for reporting in good faith the violation or suspected violation of this Code, is itself a violation of this Code and our Whistleblower process and may be a violation of law.

You may not circumvent our Code or policies through family members or by other means such as giving or receiving multiple gifts that would, in the aggregate, be improper under our Code or policy.

THE WHOLE IDEA IS TO SPEAK UP...

ASK QUESTIONS...

GET ANSWERS.

E. Violations will be disciplined. Violation of any of the standards contained in this Code, or in any other policy, practice or instruction of ESA, can result in disciplinary actions, including dismissal and civil or criminal action against the violator.

In adopting and publishing this Code, ESA Code requirements may be more restrictive than the requirements of law and industry practice. Nothing contained in this Code should be construed or applied as binding interpretation or definition of law or industry practice. Any violation of law is strictly prohibited and is beyond the scope of authority of all ESA employees, officers, directors and agents of ESA. This Code is not an employment contract in any form, although adherence to these standards is a condition of employment. This Code does not give you rights of any kind, and may be changed by the company at any time without notice. This Code is for the benefit of ESA, and no other person is entitled to enforce this Code. This Code does not, and should not be construed to, create any private cause of action or remedy in any other person for a violation of the Code. Nothing in the Code alters the nature of the at-will employment relationship which exists between ESA and its employees that are not subject to written employment agreements. Rather, the Code helps each of us to know what is expected of us to ensure we always act with integrity. ESA may amend or alter this Code and any ESA Policy at any time.



**ELBIT SYSTEMS OF AMERICA
CODE OF BUSINESS CONDUCT AND ETHICS
"WHISTLEBLOWER" PROCESS**

Introduction

Elbit Systems of America is adopting, in accord with the ESA Code of Business Conduct and Ethics, this "Whistleblower" process as part of our ongoing efforts to ensure compliance with applicable legal requirements and business ethics policies. The purpose of this process is to encourage employees to report, in a non-threatening and non-retaliatory manner, suspected legal or ethical violations. ESA's Code of Business Conduct and Ethics (the Code") requires our directors, officers and employees to maintain ethical standards in the course of performing activities relating to ESA. The Code also requires cooperation in helping to maintain and enforce those standards.

Reporting Concerns or Complaints

Taking action to prevent ethical problems is a critical part of our ethics policy. If you observe any conduct that you suspect may be illegal or in violation of the Code, you should report your concerns. You are encouraged to provide relevant information relating to such suspicions, without regard to the position held by the suspected offender. This includes, among other matters described in the Code, any suspected violations of our standards for financial reporting and internal controls.

You are requested to notify in writing Elbit Systems of America's General Counsel and Chief Compliance Officer, David Mace Roberts, with any information, complaint or concern regarding suspected legal or ethical violations by:

Telephone: (817) 234-6750

Email: david.roberts@elbitsystems-us.com

Mail: 4700 Marine Creek Parkway, Fort Worth, Texas 76179

Or, you may report such conduct to the Ethics Hotline (866-858-4327).

In order to be better able to respond to any information, we would prefer that you identify yourself and give us your telephone number and other contact information when you make your report. However, we will accept anonymous reports if you so choose.



Confidentiality

All notices, reports and information received under this process will be treated in a proprietary or business sensitive manner. Every reasonable effort will be made to handle the matter with discretion and to protect the identity of those who make reports as well as those who are being investigated. However, if necessary to conduct a proper review or to comply with legal requirements, our Audit Committee, outside legal counsel, independent accountants or others may become involved in the review process. Also if it becomes apparent that there has been a violation of law the appropriate authorities will be notified.

Retaliation

ESA policy prohibits retaliation against anyone who in good faith:

1. reports a possible violation of law, ESA policy or the Code,
2. reports any other concerns regarding questionable practices, or
3. assists in the investigation of a reported violation. This is the case whether or not it turns out that the report is mistaken. Retaliation in any form against someone who takes such actions will not be tolerated. Any act of retaliation should be reported immediately and will be investigated.

Questions

If you have any questions about the Whistleblower process or other issues relating to the Code or ESA's other related policies and procedures, please feel free to contact the Legal Department as indicated above.



**ELBIT SYSTEMS OF AMERICA
ACKNOWLEDGEMENT OF RECEIPT OF
CODE OF BUSINESS CONDUCT AND ETHICS**

By signing below, I acknowledge that I have received my personal copy of the Elbit Systems of America ("ESA") Code of Business Conduct and Ethics ("Code of Business Conduct" or "Code"). I understand that each ESA employee, director, agent, consultant and contract worker is responsible for knowing and adhering to the principles and standards of the Code of Business Conduct.

I further acknowledge and agree that:

- The Code of Business Conduct is intended to provide a general overview of the Company's code of business conduct and ethics and that it does not necessarily represent all such policies and practices in force at any particular time. I will comply with any and all current and/or future versions of the Code, written or verbal policies, practices, rules, regulations, or directives issued by ESA.
- I will contact either my immediate supervisor, the Legal Department or the Ethics Compliance Hotline, as appropriate, if I have any questions whatsoever concerning the Code of Business Conduct or the propriety of any behavior or situation concerning the Company.
- I have a duty to report any violations of the Code to, as appropriate, either to my immediate supervisor, the Legal Department, Human Resources, the Elbit Systems of America General Counsel, the Elbit Systems of America Audit Committee, or the Ethics Compliance Hotline.

Date: _____

Employee Name (Please Print)

Employee Signature