

**CODE OF CONDUCT
BETWEEN
THE MINISTRY OF DEFENCE OF FINLAND
AND
THE ASSOCIATION OF FINNISH DEFENCE AND
AEROSPACE INDUSTRIES**

WHEREAS, the Memorandum of Understanding between the Government of the Republic of Finland and the Government of the United States of America concerning Reciprocal Defense Procurement (the MoU), signed by Finland on 13 June 2008 and by the United States of America on 5 August 2008, has entered into force on October 3, 2009;

WHEREAS, the Ministry of Defence of Finland and the Department of Defense of the United States of America have signed on 29 March 2007 a Declaration of Principles for Enhanced Cooperation in Matters of Defense Equipment and Industry (the DoP);

WHEREAS, in furtherance of the DoP and pursuant to the Article IX of the MoU, the Ministry of Defence of Finland (the MoD) and the Department of Defense of the United States of America (the DoD) have concluded an Implementing Arrangement for Meeting National Defence Requirements (the SoS IA)

NOW THEREFORE, in order to implement the Article 3 of the SoS IA the MoD and the Association of Finnish Defence and Aerospace industries (the AFDA) have concluded following Code of Conduct (this Code of Conduct):

1. The purpose of this Code of Conduct is to create a mechanism between the MoD and Finnish Companies to implement the provisions set out in article 3 of the SoS IA.
2. This Code of Conduct is voluntary and it will not create any legally binding rights or obligations neither to MoD, AFDA nor to the Finnish Companies.
3. A Finnish Company willing to participate to and comply with the provisions of this Code of Conduct shall apply for registration from the Materiel Unit of the MoD. Such application will be done in writing and using the attached template (Annex 1). MoD shall review such applications and will inform the Finnish Company whether or not its application has been accepted. MoD shall treat the information provided in the application as company confidential information provided that the Finnish Company has in its application declared that the application contains business or trade secrets.
4. The Materiel Unit of the MoD will keep a register of the Finnish Companies participating to this Code of Conduct. The MoD shall notify the DoD of the Finnish Companies participating to this Code of Conduct.
5. To the greatest extent possible, a Finnish Company participating in this Code of Conduct shall do all that can reasonably be done to provide preference to contracts supporting US Department of Defense Programs. It will do this by:
 - a) accepting that a contract they are entering into or are party to with the DoD or with a US Company will, after approval by Materiel Unit of the MoD, be accepted as a contract falling under this Code of Conduct (Code of Conduct Contracts);
 - b) inserting into any subcontract provisions designed to ensure due performance of such a contract;
 - c) responding in a timely manner to requests of the DoD, via the MoD, for amendments to the timing of deliveries in said contracts in support of both normal peace time and conflicts/emergencies procurements provided however that the relevant

customer is willing to compensate them as required by the relevant contractual provisions, and

- d) bringing to the attention of the MoD and the DoD priority cases between Code of Conduct Contracts and other contracts to resolve the situation by consultation.
6. Under no circumstances shall a Finnish Company be required to suffer a loss without compensation. In the specific instance that a request under this Code of Conduct cannot be satisfied without incurring liability for damages from other customers, and the requesting customer is unwilling to compensate the Finnish Company for such identifiable loss as it may incur, it will be reasonable for the Finnish Company to refuse the request.
7. In any case, the Finnish Company will be entitled to refuse the request by the DoD, if such request would seriously imperil future or existing client customer relations and/or endanger future business. This will be without prejudice to their continued membership of the Code.
8. In all the cases mentioned in paragraph 5, should a Finnish Company intend to refuse to provide the priorities support requested by the DoD, the MoD will investigate the circumstances surrounding the case. The Finnish Company, through its representatives, will be entitled to respond either in writing or orally. The MoD will take measures necessary to assess/evaluate the circumstances surrounding the case:
- a) If the MoD considers that the Finnish Company has complied with this Code of Conduct, the MoD will, if requested to do so by the Finnish Company, notify the DoD. The DoD will act on that notification as it considers appropriate. The MoD will use its good offices with the DoD to resolve any remaining difficulties.
 - b) If the Finnish Company is deemed not in compliance with this Code of Conduct, the MoD will use its good offices in order to obtain assurance that the Company will take such steps considered necessary to rectify the situation, and will notify the DoD. The DoD will act on that notification as it considers appropriate.
9. Participation in the Code of Conduct System may be offered by the Finnish Company as an indication of its reliability in supplying industrial resources to the US Department of Defense and the contractors supplying it.
10. Failure to comply with the conditions of this Code of Conduct may lead to a review by the MoD. The MoD may remove, or temporarily suspend, the Company from the Code of Conduct.
11. The MoD and AFDA will review the operation of this Code of Conduct on an annual basis.

Signed in duplicate in Helsinki

on October 14th 2009

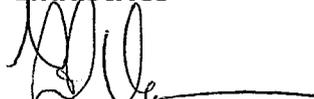
on October 21st 2009

**On behalf of the Ministry of Defence
of Finland**



Eero Lavonen
Director General

**On behalf of the Association of
Finnish Defence and Aerospace
Industries**



Heikki Allonen
Chairman of the Board

Ministry of Defence of Finland

Materiel Unit
Att: FI – US SoS IA PoC
Eteläinen Makasiinikatu 8
00130 Helsinki

APPLICATION

The below mentioned Finnish company herewith

- applies for participation in the Code of Conduct between the Ministry of Defence of Finland and the Association of Finnish Defence and Aerospace Industries signed in Helsinki on
- declares that upon acceptance of this application it shall comply with the provisions of the said Code of Conduct

The Applicant company

- name:
- address:
- PoC in Code of Conduct related questions:
 - o name and title:
 - o address:
 - o e-mail:
 - o telephone:
 - o mobile:
 - o fax:

Brief company introduction

Applicant´s main area of business, product/service portfolios

Applicant´s prior or on-going business with the US Department of Defence or its contractors

Other relevant information