

# **Universal Avionics Systems Corporation**

## **Supplier Code of Conduct**

April 2018

To Our Supply Chain:

Universal Avionics Systems Corporation (the "Company") is committed to best practices regarding integrity in business conduct, including in our dealings with our suppliers, representatives, contractors, and consultants. Our commitment to operate according to ethical standards is an important factor in enabling the Company to meet our business goals and demands of today's marketplace.

A reliable and ethical supply chain is critical for the Company's ability to support our and our customers' goals. Integrity, safety, and quality are fundamental to the Company's performance, and we encourage a collaborative environment with our supply chain in these areas. Our customers rely on us to work with suppliers, subcontractors, and other business partners who share these values.

To support the business integrity of our activities, we require that members of our supply chain endorse our values relating to the range of areas set forth in this Supplier Code of Conduct (the "Code"). The principles set forth in the Code represent a fundamental part of our mutual commitment on how we do business and are integral to every relationship you have with the Company. The Code is also consistent with the principles set forth in the Supplier Code of Conduct endorsed by the International Forum on Business Ethical Conduct of the U.S. and European aerospace and defense industries.

Thank you for doing your part in helping us maintain a leading standard of business integrity.

A handwritten signature in black ink, appearing to read 'Paul DeHerrera', is centered on a light gray rectangular background.

Paul DeHerrera  
Chief Executive Officer  
Universal Avionics Systems Corporation

## 1. Introduction

- A. Welcome to Universal Avionics Systems Corporation's (the "**Company**") *Supplier Code of Conduct* ("**Code**"). Conducting our business fairly, openly, honestly, ethically, and properly is critical to the Company's continued success. The purpose of this Code is to facilitate our representatives, suppliers, subcontractors, and consultants (collectively "**Supply Chain**") in our mutual commitment to ethical and compliant business conduct.
- B. In addition to the specific provisions of the Code and any other Company policies, procedures, or contractual obligations we may ask you to follow, we expect members of our Supply Chain to conduct their business activities ethically and in compliance with all applicable laws and regulations. This Code is intended to promote a culture that complies with not only the letter, but also the spirit, of all applicable laws, rules, and regulations and related Company policies and procedures.
- C. This Code incorporates best practice supply chain in compliance principles and is based upon the Company's Code of Business Conduct and Ethics, which is available for review on our website, [www.uasc.com](http://www.uasc.com) under "Ethics and Compliance."

## 2. Conducting Your Business

- A. The Company's reputation is based on delivering systems and products that create value for our customers and protect and save lives. In order to maintain this reputation, we strive for excellence in all that we do, including conducting ourselves according to leading ethical standards. We expect our Supply Chain to follow similar standards.
- B. You should refer to this Code's principles when ethical and compliance issues arise. Each of the principles in this Code is fundamental to how we do business.
- C. The Company relies on our Supply Chain to choose sub-tier subcontractors and suppliers that also share the values included in the Code. It is important everyone working on your behalf for us conducts business in the manner prescribed by this Code.
- D. By entering into any subcontract or purchase order with the Company, you are committing to conduct your activities in a manner consistent with this Code. Accordingly, all of your business activities relating to work with the Company must be performed in a manner that is fair, ethical, and compliant with this Code and applicable laws and regulations.

- E. While the Code contains standards to be followed, no one document can cover all situations. If, for whatever reasons, following the Code would conflict with a legal requirement, you must comply with the law.

### **3. Compliance with Laws**

You must comply with all applicable laws and regulations of the countries in which operations are managed or services provided.

### **4. Human Rights**

#### **A. Respect for Human Rights**

You are expected to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture, in accordance with the relevant International Labor Organization (ILO) Conventions.

#### **B. Child Labor**

You must ensure that child labor is not used in the performance of work. The term "child" refers to any person under the minimum legal age for employment where the work is performed, provided the legal age is consistent with the minimum working ages defined by the ILO.

#### **C. Anti-Slavery and Human Trafficking Policy**

- (1) Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labor, and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.
- (2) We have a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our Supply Chain.
- (3) Each of the Company's suppliers, contractors, representatives, and consultants confirms that there is no modern slavery in their business when contracting with the Company. All suppliers, contractors, representatives, and consultants are expected to inform the Company if they become aware of any information which may indicate that modern slavery is occurring in their business or supply chain. They should also inform the Company of any positive changes they make to ensure there is no modern slavery in their business or supply chain.

- (4) When acting as a supplier to us for a program for end use by the U.S. Government, you will comply with the requirements for prohibiting human trafficking as set forth in U.S. Federal Acquisition Regulation, Section 52.222-50 and Executive Order 13627.

## **5. Employment Practices**

### **A. Harassment**

You are expected to ensure that your employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

### **D. Non-discrimination**

You are expected to provide equal employment opportunity to employees and applicants for employment without discrimination, consistent with all applicable regulations.

### **C. Wage and Benefits**

You must pay workers at least the minimum compensation required by applicable law and provide all legally-mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their regular hourly payment rate. Deduction from wages as a disciplinary measure should not be permitted.

### **D. Free Association**

You are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference, or reprisal. You are also expected to recognize and respect any rights of workers to exercise lawful rights of free association with any labor association of their choosing.

## **6. Anti-Corruption**

### **A. Anti-Corruption Laws and Regulations**

You must comply with the anti-corruption laws, directives, and regulations that govern operations in the countries in which you do business. When working with us, for us or on our behalf, this includes compliance with U.S. laws and regulations, including the U.S. Foreign Corrupt Practices Act, other applicable laws and regulations, and compliance with the Company's Anti-Bribery Compliance Policy.

**B. Zero Tolerance Policy**

The Company has a zero-tolerance policy against corruption, whether done directly by Company employees or indirectly through our Supply Chain. For further information, see the Company's Anti-Bribery Compliance Policy, which is available for review on our website, [www.uasc.com](http://www.uasc.com) under "Ethics and Compliance."

**C. Illegal and Improper Payments or Benefits**

Doing business the right way means never providing or receiving anything of value to obtain a business advantage or favorable treatment or exert undue influence, including offering, giving, asking for, or taking any form of potential bribe or kickback. This prohibition extends to payments and gifts of cash or in kind, made directly or through others. You must not offer any potentially illegal payments to, or receive any potentially illegal payments from, any customer, supplier, their agents, representatives, or others. This includes a prohibition on facilitation payments intended to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance, even in locations where such activity may not violate local law.

**D. Due Diligence**

You are expected to exert reasonable due diligence to monitor, prevent, and, where necessary, detect and address any potential corruption in all your business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of intermediaries, such as agents or consultants.

**E. Gifts/Business Courtesies**

- (1) We and our Supply Chain must compete solely on the merits of our products and services. You must not try to influence a customer's decision to purchase from us or to otherwise gain an unfair competitive advantage by offering gifts, meals, travel expenses, entertainment, or other business courtesies that exceed acceptable levels. Government agencies and companies have regulations prohibiting their employees' acceptance of items of value from contractors or suppliers. In any business relationship, you must ensure that: (i) the offering or receipt of any gift or business courtesy is permitted by applicable law and regulation, and (ii) these exchanges do not violate the rules and standards of the recipient's organization and are consistent with reasonable marketplace customs and practices. Although standard give-away items of a nominal value may be provided or accepted in appropriate situations, cash and cash equivalents (such as gift cards) are prohibited.

- (2) In engaging with the Company or engaging with third parties on behalf of the Company, you are required to act in accordance with the Business Entertainment provisions of the Company's Anti-Bribery Compliance Policy, including ensuring that you are not offering any gift or hospitality to our directors, officers, or employees, which they are not permitted under the policy to accept.

#### **F. Offers of Employment**

Offers of employment to employees or representatives of our customers or end users, or their close relatives, could be viewed as an attempt to improperly influence decisions relating to our programs. Therefore, you should exercise caution in hiring activities in order to avoid the possibility of undue influence.

#### **G. Fraud and Deception**

You must not seek to gain any advantage of any kind by acting fraudulently, deceiving people, or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the Company, a customer, or any third party, and any kind of misappropriation of property.

### **7. Competition and Anti-Trust**

We compete fairly and within the law. As such, where you support us in doing business, you must comply with applicable competition laws (sometimes called "antitrust laws") of all applicable countries. These laws prohibit formal or informal understandings, agreements, or arrangements among competitors that unfairly restrict competition. You must not fix prices, rig bids with your competitors, or participate in a cartel. This includes a prohibition on exchanging current, recent, or future pricing information with competitors.

### **8. Insider Trading**

You and your personnel must not use any material, non-publicly disclosed information obtained in the course of your business relationship with the Company as the basis for trading or for enabling others to trade in the stock or securities of our parent company, Elbit Systems Ltd., or any other company.

## **9. Conflicts of Interest**

You are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest and provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of the Company and your or your employees' personal interests or the interests of your or their close relatives, friends, or associates.

## **10. Maintain Accurate Records**

You are expected to keep appropriate records to demonstrate compliance with this Code, as well as all applicable laws and regulations. This includes creating accurate records and not altering any record entry to conceal or misrepresent the underlying transaction represented by such records. Regardless of format, all records made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on applicable document retention requirements.

## **11. Information Protection**

### **A. Protection of Sensitive Information**

The Company is committed to ensuring that our intellectual property rights and those of our customers and business partners are protected to the full extent of the law and our contractual commitments. You must comply with all applicable laws and contractual requirements governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks. We also require appropriate security measures to protect other sensitive information. When working with the Company, you must take necessary steps to protect and safeguard intellectual property rights and sensitive information, including trade secrets, patents, trademarks, copyrights, business, marketing, financial, human resources, technical, and administrative information not released to the public.

### **B. Use of Sensitive Information**

You must safeguard proprietary information of, or provided by, the Company. It cannot be shared with a third party without the Company's express written permission. You will properly handle sensitive information, including proprietary and personal information. Such information should not be used for any purpose (e.g., advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner of the information. Unauthorized use or distribution of proprietary information or other sensitive information through any means, including

social media, violates this Code. It may also violate applicable law, as well as regulatory and contractual requirements.

### **C. Information Security**

You must comply with applicable data privacy laws and must protect the sensitive and proprietary information of others, including personal information, from unauthorized access, destruction, use, modification, and disclosure, through appropriate physical and electronic security procedures. You are expected to take the necessary information security measures, for both computer systems and portable electronic devices, to protect against cyberattacks, malware, and unauthorized disclosure of any proprietary information and other program-related information provided by the Company. If there is a suspicion that a possible data security breach has occurred, it is critical that such circumstance be immediately reported to the Company.

## **12. Marketing Materials and Interactions with the Media**

The Company controls the release of any marketing materials, press releases, or media interviews that include a reference to the Company, our affiliated companies, our customers, our end users, or our cooperative activities with you. Any such release requires advanced approval by the Company.

## **13. Environment, Health, and Safety**

### **A. Environmental, Health, and Safety Management**

You must comply with all applicable environmental, health, and workplace safety laws and regulations. You are also expected to establish an appropriate management system for environmental, health, and safety compliance.

### **B. Conservation of Natural Resources**

You are expected to operate in a manner that actively manages risk, conserves natural resources, and protects the environment in the communities within which you operate.

### **C. Protection of Employee Health and Safety**

You should protect the health, safety, and welfare of your employees, contractors, visitors, and others who may be affected by your activities.

## **14. Global Trade Compliance**

You must ensure that your business practices are in accordance with all applicable laws, directives, and regulations governing the import and export of parts, components, and

technical data. You will provide truthful and accurate information relating to import and export authorization processes and obtain import and export licenses and/or approvals where necessary.

#### **15. Responsible Sourcing of Minerals**

You must comply with applicable laws and regulations regarding “Conflict Minerals,” which include tin, tungsten, tantalum, and gold. Additionally, you should establish a policy to reasonably assure that any tin, tungsten, tantalum, or gold which may be contained in the products you manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. You should exercise, as may be directed by law or industry practice, due diligence on the source and chain of custody of these minerals and require the same from your next-tier suppliers.

#### **16. Counterfeit Parts**

You are expected to develop, implement, and maintain effective methods and processes appropriate to your products to minimize the risk of introducing counterfeit parts and materials into products to be delivered to us. In addition, you will provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

#### **17. Government Procurement**

##### **A. Compliance with Government Contracting Regulations**

Governments are end users of the Company’s goods and services, so it is crucial that you comply with the laws and regulations relating to government contracting in the countries in which you are supporting our projects.

##### **B. Source Selection Information**

In working with the Company in any government procurement process, you will not improperly obtain, use, or disclose government source selection or proprietary information. You will not ask officials to disclose the proprietary information of our competitors, nor will you improperly ask for source selection material—the material the government has developed to evaluate competing bids. In addition, you will take precautions not to share any of our proprietary information or other program-related information without our permission.

##### **C. Lobbying**

You are not authorized, directly or through others, to engage in lobbying activities designed to influence government policies, or the award or administration of

government contracts, on our behalf or on behalf of our projects, without our prior approval.

## **18. Ethics Program Expectations**

### **A. Whistleblower Protection and Non-Retaliation**

You are expected to provide your employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. You are also expected to take action to prevent, detect, and correct any retaliatory actions. Company policy prohibits retaliation against any person making a good faith effort to report possible violations of the principles in this Code.

### **B. Consequences for Violating the Code**

In the event that the expectations of this Code are not met, the business relationship may be reviewed and corrective action pursued subject to the terms of the related procurement contracts.

### **C. Ethics Policies**

Commensurate with the size and nature of your business, you are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed within this Code. You are encouraged to implement your own written code of conduct and to flow down those principles to the entities that furnish you with goods and services. We expect you to maintain effective programs to encourage your employees to make ethical, values-driven choices in your business dealings—beyond compliance with laws, regulations, and contract requirements.

## **19. Reporting Concerns**

### **A. Self-Monitoring and Reporting**

You are expected to self-monitor your compliance with this Code and promptly report any integrity concern involving or affecting the Company, whether or not the concern involves your company. When requested, you are expected to assist the Company in investigating concerns.

### **B. Reporting Point of Contact**

Prompt reporting is crucial. Concerns may be raised by contacting the Company's Director of Contracts and Compliance by e-mail at [UASC-Compliance@uasc.com](mailto:UASC-Compliance@uasc.com).

## **20. Right to Audit**

We reserve the right to periodically, and/or in response to specific concerns, review your business practices to ensure compliance with this Code. You are expected to comply with our reasonable enquiries related to your work for us and cooperate with audits and investigations.