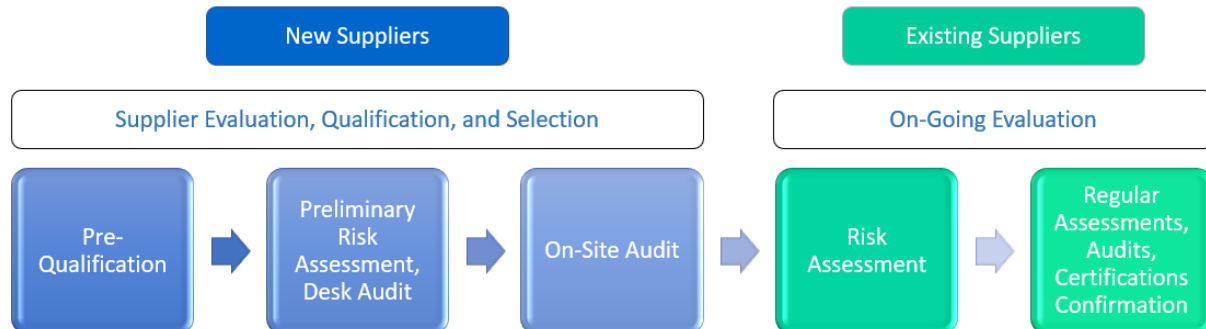


## Supplier Code of Conduct

Phase Four is dedicated to conducting business consistent with the highest standards of business ethics. It is critical to our company's stature to maintain the highest ethical, legal and social standards by adhering to all applicable laws and avoiding even the perception of impropriety or conflict of interest. As such, Phase Four similarly expects its Suppliers of goods and services to conduct themselves and operate using the highest degree of ethical, legal, and socially responsible manner. Suppliers are responsible for ensuring that any employees, affiliates, distributors, subcontractors, agents, or other representatives of Supplier providing products or services to Phase Four – or to Phase Four's customers on behalf of Phase Four – read and comply with the Phase Four Supplier Code of Conduct (the "Code").

### Supplier Evaluation, Qualification and Selection

Phase Four Suppliers have the responsibility to ask questions, seek guidance, and report suspected violations of this Code of Conduct. When selecting Suppliers, Phase Four applies a system of checks and balances to minimize risk and maximize performance in our supply chain. Current and prospective Suppliers should expect to undergo the following selection, qualification and evaluation steps outlined below:



Our relationship with you as a Supplier is based on transparency, mutual trust, respect and responsibility. You may also demonstrate your commitment to these principles through compliance with your own code of conduct or company policies that embrace these standards. Phase Four may ask you to verify your compliance by any of the following methods and to take corrective action if there is a reason for concern:

1. **Self-Assessments:** Phase Four shall ask a Supplier to fill in a questionnaire on compliance.
2. **Third-Party Assessments:** Phase Four may solicit a third party, e.g. a data provider, on your compliance and performance.
3. **Certifications/Statements:** Phase Four may ask a Supplier for a certification or statement confirming compliance, including AS9100 / ISO 9001- Aerospace Standard – Quality

# PHASEFOUR

Management Systems - Requirements for Aviation, Space and Defense Organizations & AS5553 - Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition

4. **On-Site Audits:** Phase Four or an authorized third party acting on Phase Four's behalf may contact a Supplier and ask for permission to verify compliance

## Labor and Human Rights

- **CHILD LABOR:** Suppliers will not directly or indirectly employ workers that are younger than the applicable required minimum age.
- **HUMAN TRAFFICKING AND INVOLUNTARY LABOR:** Suppliers will not knowingly source materials from supply chains associated with forced, bonded, indentured labor, or trafficking of persons, and will take reasonable efforts to ensure that their own suppliers comply with this requirement. Suppliers or labor dispatch agencies shall not receive deposits or fees (e.g. recruitment or hiring fees) from workers. Suppliers' workers' contracts shall clearly convey the conditions of employment in a language understood by the workers. Third-party recruitment agencies used by Suppliers shall be compliant with the provisions of this Code and applicable laws and regulations.
- **WAGES AND WORKING HOURS:** Suppliers must comply with all applicable wage and hour laws, including those relating to minimum wage, overtime hours, and other elements of compensation, and must provide all legally mandated benefits. Suppliers will not require employees to work more than the maximum number of hours permitted under applicable laws.
- **NON-DISCRIMINATION:** Phase Four expects its suppliers to treat their employees with respect and dignity and to refrain from any unlawful discrimination. To the extent prohibited by applicable law, Suppliers will not discriminate against any person because of their race, color, sex, religion, national origin, age, disability, sexual orientation, gender identity, genetic information, pregnancy, veteran status, political affiliation, or any other prohibited basis.
- **HARASSMENT:** We expect our suppliers to ensure their employees can perform work in an environment free from physical, psychological and verbal harassment, or other abusive conduct.
- **HEALTH AND SAFETY TRAINING AND COMMUNICATION:** Suppliers shall provide workers with appropriate workplace health and safety requirements and training in their primary language. Suppliers shall clearly post in their facilities health and safety related information.

## Environment

- **ENVIRONMENTAL, HEALTH AND SAFETY (EHS) LAWS:** Suppliers must comply with all applicable environmental, health and safety laws and regulations and must provide workers with a safe and healthy work environment. Suppliers must strive to reduce their negative impact on the environment through the conservation of natural resources, reduced energy consumption and other means. While a Supplier, its affiliates, agents or representatives are on-

# PHASEFOUR

site at any Phase Four location or at a Phase Four customer location on behalf of Phase Four, Supplier shall comply with Phase Four policies and applicable site requirements.

To meet these objectives, at a minimum, it is important that all suppliers:

- are aware of their environment, health and safety responsibilities and obligations and are compliant with relevant national and local safety and environment legislation, and other legal requirements as applicable;
  - have a written environment and health and safety policy or equivalent document;
  - have a system to record, monitor and manage environment, health and safety risks and incidents;
  - comply with all BDA site specific environment, health and safety requirements;
  - comply with BDA's Drug and Alcohol Management Plan (DAMP) where applicable.
- **ENVIRONMENTAL PERMITS AND REPORTING:** Suppliers shall obtain, maintain, and keep current all required environmental permits, approvals and registrations and follow applicable operational and reporting requirements.
  - **GLOBAL TRADE COMPLIANCE:** Suppliers must comply with all export-import laws, customs duties and all other laws pertaining to their international business activities.
  - **HAZARDOUS SUBSTANCE MANAGEMENT AND RESTRICTION:** Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous substances, in accordance with applicable laws and regulations.

## Ethical Business Practices

- **CONFLICT OF INTEREST:** Suppliers are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest. A Supplier should never use a third-party's property or information for personal gain, or personally take for themselves any opportunity that is discovered through their position in a competitive market. Suppliers are expected to provide notification to all affected parties if an actual or potential conflict of interest arises. This includes a conflict between the interests of Phase Four and personal interests or those of close relatives, friends, or associates.
- **DISCLOSURE OF INFORMATION:** Suppliers shall accurately record information regarding their business activities, labor, health and safety and environmental practices and shall disclose such information, without falsification or misrepresentation, to all appropriate parties.
- **ANTI-CORRUPTION, GIFTS AND IMPROPER PAYMENTS:** Suppliers are prohibited from engaging in corruption, extortion or embezzlement in any form. Suppliers must comply with all applicable anti-corruption laws and regulations of the countries in which they operate such as the U.S. Foreign Corrupt Practices Act, and as applicable any other international anti-corruption conventions. Suppliers will not offer or accept bribes or employ other means to obtain an undue or improper advantage. Bribes, kickbacks, facilitating payments and similar payments to government officials or to Phase Four employees or agents acting on Phase Four's behalf are prohibited. Phase Four employees are discouraged from accepting gifts of more than minimal

# PHASEFOUR

value or lavish entertainment from suppliers. When business meals and entertainment are appropriate to further business relationships, those expenses may not be extravagant in nature.

- **FAIR DEALINGS AND COMPETITION LAWS:** Suppliers should not take unfair advantage of anyone else through manipulation, concealment, abuse, misrepresentation of material facts or any other unfair dealing. Supplier will not engage in collusive bidding, price fixing, price discrimination or other unfair trade practices in violation of applicable antitrust and competition laws. Supplier will uphold fair business standards in advertising, sales and competition.
- **RESPONSIBLE SOURCING OF MINERALS:** Suppliers must comply with applicable laws and regulations regarding conflict minerals which include tin, tungsten, tantalum and gold. Suppliers should establish a policy to reasonably assure that such minerals which may be contained in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses. Suppliers should exercise, as may be directed by law, due diligence on the source and chain of custody of these minerals and therefore at a minimum require the same from their next tier suppliers.
- **PRIVACY:** Suppliers shall protect the personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Suppliers shall comply with applicable privacy and information security laws and regulatory requirements, such as the GDPR, when personal information is collected, stored, processed, transmitted, and shared
- **CONFIDENTIALITY:** Suppliers must protect the Confidential Information entrusted to them by Phase Four, its affiliates, customers or suppliers. Confidential Information may only be used and disclosed in a manner authorized by Phase Four. Confidential Information includes any business information of Phase Four, its customers or suppliers that is not generally known to the public.
- **INTELLECTUAL PROPERTY:** It is important that Suppliers respect the property rights of others. Phase Four expects that Supplier will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. Suppliers must respect and refrain from knowingly or negligently infringing upon the intellectual property rights of others, including patents, trademarks, copyrights and other proprietary rights.
- **MONITORING COMPLIANCE:** Suppliers must establish and maintain a process of ensuring compliance with the Phase Four Supplier Code of Conduct. This includes communicating the requirements of this Code to all employees, affiliates, agents and subcontractors of the Supplier. Supplier must maintain all documentation necessary to demonstrate its compliance with the Phase Four Supplier Code of Conduct. Upon Phase Four request, Supplier should be prepared to provide Phase Four or its affiliates access to such documentation.

## Risk Management System

# PHASEFOUR

- **RISK ASSESSMENT AND RISK MANGEMENT:** Suppliers shall establish and continue to operate at all times a process to identify the risks associated with its business (including but not limited to, legal, compliance, ethics, environmental, health, safety, and labor practices) and based on the relative Supplier's exposure to each risk, implement appropriate mitigation plans.
- **TRAINING:** Suppliers shall establish and continue to operate at all times programs for training managers and workers to implement Supplier's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements. Suppliers shall have an ongoing process to evaluate practices and conditions covered by this Code and to foster continuous improvement.
- **COMMUNICATION:** Suppliers shall establish and continue to operate at all times a process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to workers, suppliers and customers. The sharing of Suppliers' social responsibility commitment, standards and related reports with key internal and external stakeholders is encouraged.

*Disclaimer: This Supplier Code of Conduct is not a contract. It does not confer rights on any Supplier, nor does it impose obligations on Phase Four. The expectations set forth in this Code are not intended to conflict with or modify the terms and conditions of your contracts with Phase Four. If a contract term or condition requirement is more restrictive than this Code, you must comply with the more restrictive contract requirement. The Supplier Code is subject to modification from time to time, and the most current version is kept on Phase Four's public website.*