Cobham Responsible Supply Chain Management
Supplier’s Code of Conduct

Our Message to Suppliers

Cobham Advanced Electronic Solutions (CAES) has an established reputation founded on our values, integrity and doing the right thing for our employees, Customers and Suppliers. Our success depends upon our reputation. CAES has adopted high standards to ensure we conduct business fairly and honestly, as the supplier of choice for mission-critical and specialized solutions to our Customers. The business environment in which we operate continues to present us with unprecedented challenges. However, some things remain clear and constant. Our culture of acting ethically and with integrity at all times, helps our business and reputation thrive, protecting our employees, suppliers and customers.

This Supplier’s Code of Conduct to Responsible Supply Chain Management sets out our expectations for our supply chain to help us do the right thing and what our suppliers can expect from CAES in return.

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1. Introduction

CAES is committed to operating and developing its business in a socially, economically and environmentally responsible and sustainable manner in order to offer long term value to our customers, suppliers and employees.

We believe that managing our supply chain responsibly and sustainably will benefit both CAES and its suppliers through:

- Enhancing reputation with customers
- Enhancing the ability to attract, retain and engage talented employees
- Developing closer collaboration with strategic suppliers
- Capturing innovation with regards to environmentally friendly products and services
- Reducing total cost of ownership across the entire value chain
- Better managing Business Continuity across the value chain
- Sharing learnings and experience for future growth

Our vision is for our supply chain to share our commitment and continually improve its social, economic and environment performance in this area.

2. Purpose

The purpose of this guide is to set expectations and provide guidance for our current and potentially future suppliers.

3. Responsible Supply Chain Management at CAES

3.1. Supply chain Objectives and Commitments

CAES’s objectives for itself and its supply chain are:

- Maintain the highest ethical standards with our customers, suppliers and employees;
- Creating a diverse and safe work environment that attracts, retains, develops and engages employees;
- Legal compliance with all laws and regulations in the jurisdictions of its business;
- Abide by all contractual requirements;
- Ensure that human rights are not abused as a consequence of its operations and supply chain;
- Minimize environmental impacts and use natural resources as efficiently as practicable.

3.2. CAES’s Approach to Responsible Supply Chain Management

CAES’s approach to Responsible Supply Chain Management is to identify, prioritize and mitigate inherent Business Continuity risks in our supply chain in order to ensure that we have a sustainable supply to meet our customers' requirements. The approach assesses
the key inherent risks against each supply category and where considered significant will be the subject of an appropriate due diligence assessment and the implementation of suitable and proportionate mitigation actions where necessary.

In addition to complying with all relevant laws, regulations and contract requirements, CAES’s Suppliers Code of Conduct is as follows:

3.2.1 Payment Terms and Conditions

We will pay our suppliers in accordance with the agreed terms and expect our suppliers to adopt the same standards with their sub-suppliers. We will not knowingly award contracts that economically disadvantage our suppliers in the long term.

3.2.2 Business Continuity

As a responsible business we expect to continually meet the needs of our customers and have developed business continuity plans to ensure continuity of supply appropriate to the value at risk. We expect our suppliers to operate and communicate business continuity plans appropriate to their business.

3.2.3 Total Cost of Ownership (TCO)

When we engage with the supply chain to procure materials, products and components, we will use a TCO approach to account for total cost of doing business with the Suppliers. This is relevant to service, equipment and products that we purchase. This will give the business and our customers longer term value for money.

3.2.4 Financial and Record-keeping Responsibility

All financial statements and records must fully, fairly, accurately and timely reflect the nature of the transactions recorded and must conform both to applicable legal and GAAP and to CAES’s system of controls where appropriate. Suppliers are required to comply with accounting requirements of US government contracts as required by Contract. Forging or altering documents is an act of fraud.

3.2.5 Anti-Competition

We expect our suppliers to comply with all competition and anti-trust laws applicable to their jurisdiction of operations. Suppliers must not engage in any formal or informal agreements or discussions with competitors regarding prices or pricing policies, allocating customers, allocating markets or territories in which competitive products are sold, customer or supplier boycotts, or unfairly restricting trade or any other similar competitive information.

3.2.6 Fair Dealing

We expect our suppliers to compete in the marketplace on the basis of their products, technology, know-how, quality, service, price and similar competitive factors. Suppliers must not seek to gain any improper advantage through the use of
manipulation, concealment, dishonesty, abuse of privileged information, misrepresentation of facts, or any other unfair dealing practice.

3.2.7 Export and Import Compliance

We expect our suppliers to conduct all import, export and re-export activities and/or transactions involving CAES in full compliance with all applicable import and export control laws and regulations.

3.2.8 Confidential Information and Intellectual Property

CAES’s success is dependent on its intellectual property and it must be preserved and protected against disclosure, whether intentional or unintentional. Certain information may be classified for National Security purposes. Suppliers will be vetted to ensure they have the necessary authorizations and controls in place to receive and protect such information. Suppliers will be expected to sign up to, and abide by, legally binding Non-Disclosure Agreements with regard to information obtained from CAES.

3.2.9 Bribery and Corruption

We actively oppose all forms of bribery and corruption. We expect suppliers to have appropriate procedures in place to support this position.

3.2.10 Gifts and Business Courtesies

The exchange of gifts and entertainment can promote successful working relationships and goodwill between parties. However, there is also the risk that a gift, entertainment or hospitality may be deemed to be an attempt to improperly influence a business decision, which can harm our reputation and may result in civil and criminal penalties. Regardless of value, even the appearance of influence must always be considered before acceptance. We expect suppliers to respect all laws and regulations in this regard and to refrain from offering gifts, entertainment or hospitality to CAES employees if there is an intention to influence a business decision, secure an improper advantage, or create a conflict of interest.

3.2.11 Human Rights

CAES support the Universal Declaration of Human Rights drafted by the UN General Assembly. We expect our suppliers to exercise due diligence over their supply chains to support these principles. Our main priorities with respect to human rights are:

- **Human Trafficking** - We oppose human trafficking in all its forms and seek to identify and eradicate its occurrence within our own operations and within our supply chain wherever possible. We expect our suppliers to work likewise towards operations and supply chains that are free from human trafficking.

- **Conflict Minerals** - We are working towards eradicating the use of minerals sourced from mines used to finance armed conflict and human rights abuses. We expect our suppliers to supply all raw materials, components and subassemblies from responsibly-sourced minerals in accordance with relevant
legislation and best practice and be able to demonstrate this through due diligence processes.

- **Labor Standards** - We expect our suppliers to provide safe and healthy workplaces that aim to be injury-free and incident-free for all employees, visitors and contractors. The Suppliers are expected to pay their workforces at least a statutory minimum wage, eliminate child labor in a way that is sympathetic to the needs of the local community and ensure equal opportunities for all in employment without discrimination on grounds of race, religion, sexual orientation or gender.

### 3.2.12 Quality

As a minimum, CAES expects all of our suppliers’ quality systems to be compliant with the requirements of IS09001 and in many instances we will require full compliance with more demanding standards such as AS9100, NADCAP, NASA or others as required by our products and customers.

### 3.2.13 Counterfeit Supplies

CAES takes its responsibilities in this area very seriously; we work with all industry bodies to maintain visibility of potential counterfeit issues and we expect our suppliers to apply the most stringent checks to ensure that no counterfeit items enter our supply chain.

### 3.2.14 Supplier Diversity

CAES is committed to working with small disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses and small businesses that are located in historically underutilized business zones in accordance with meeting its requirements for US federal government contracts.

### 3.2.15 Ethical Complaints

We expect our suppliers to operate an ethical complaints mechanism that is publicized to their workforces and suppliers, ensures prompt response and resolution, enables independent investigation and feedback to the complainant on the course of action to be taken and is transparent.

### 3.2.16 Environmental Protection

Our suppliers should operate appropriate environmental management systems in order to mitigate any significant risks related to pollution of land, air or water caused by their business.

### 3.2.17 Hazardous Materials

We are committed to phasing out from our products, substances that are considered dangerous to human health and the environment in accordance with all applicable legislation and customer specifications. Where suitable alternatives
are not available we will seek to obtain legal authorization for the ongoing safe and efficient use of existing substances and will work with industry partners to source less hazardous replacements over time. We expect suppliers to provide all necessary information as we may request in order for us to meet our legal and customer requirements.

3.2.18 Resource Use Efficiency

Our product designs and the supply chains supporting them are expected to incorporate a Design for the Environment (DfE) approach in order to be resource efficient; this is an integral part of our approach to product development. As such we expect our suppliers to work with us to adopt this approach to identify areas of high energy usage and develop opportunities to reduce consumption, wherever practicable, reduce waste from their operations, and enable effective product re-use or recycling at end of life by using eco-design principles.

3.3 Right of Audit and Inspection

CAES reserves the right to audit and inspect its suppliers to ensure that they conform to this Suppliers Code of Conduct and comply with all agreed terms and conditions of purchase. Suppliers are expected not to unreasonably withhold information or refuse such inspection requested for this purpose.

4. Applicable Documents

The following publicly available documents are applicable to governing the business relationships between CAES and its suppliers:

- CAES Suppliers Code of Conduct
- SAE AS5553, Rev A Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition which can be found at [http://www.sae.org](http://www.sae.org). (Applicable to manufacturers and OCM's)
- SAE AS6081, Fraudulent/Counterfeit Electronic Parts: Avoidance, Detection, Mitigation, and Disposition - Distributors Counterfeit Electronic Parts; Avoidance Protocol, Distributors which can be found at [http://www.sae.org](http://www.sae.org). (Applicable to distributors)
- Government Industry Data Exchange Program, which can be found at [http://www.gidep.org](http://www.gidep.org/)
- U.S. Code § 2320 - Trafficking in counterfeit goods or services

Note: These documents will be updated or replaced periodically and it is the responsibility of the supplier to ensure it is using the most up to date information.