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1. Purpose

It is the intent of this document to outline specific ethics and compliance standards that must be followed. Improper activities could harm the Company's reputation for integrity and otherwise result in adverse consequences to it and its employees. Transactions involving the United States Government must be undertaken with particular care. Even the appearance of impropriety may be extremely damaging.

2. Scope

The standards contained in this document are applicable to all USSI employees, to agents that act on USSI's behalf and to subcontractors in their support of USSI operations.

3. Definitions and Acronyms

Refer to the USSI Glossary (COPG-6001), which can be accessed on the USSI Intranet for definitions, abbreviations, and acronyms contained in this document.

4. References

FAR Part 3 – Improper Business Practices and Personal Conflicts of Interest

U.S. Foreign Corrupt Practices Act

U.K. Bribery Act 2010

QAPG-6001F01 – Conflict of Interest Disclosure

5. Inputs/Outputs

If Required, completed Conflict of Interest Disclosure Form are an input to these standards. Documented review of submitted Conflict of Interest Disclosure Forms is the output.

6. Responsibility

Company Responsibilities:

- Ensure through communication and training programs that all employees are aware of and understand USSI's expectations relative to business ethics and compliance
- Ensure that there will be no retribution from the company for reporting alleged violations.
- Ensure deployment of Hotline posters / placards is adequate.
- Provide for an Ethics Officer and Chief Compliance Officer who are identified on USSI's corporate organization chart.

Employee, Agent, and Subcontractor Responsibilities:

- Uphold USSI's Ethics and Compliance Standards in daily business conduct.
- Seek help when the proper course of action is unclear or unknown and encourage fellow employees to do likewise when it appears they may be in danger of violating these standards.

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- Remain alert and sensitive to situations that could result in actions by an employee that are illegal, unethical, in violation of the standards or are otherwise improper.
- Report alleged or actual violations of these standards.

7. Standards

7.1. *Gifts* - The term gift refers to anything of value. This includes physical goods, services, favors, discounts, cash/non-cash payments, and corporate hospitality. Corporate hospitality is defined as an event where individuals from multiple companies participate in to promote good relationships. Examples of corporate hospitality include entertaining business partners at social events during trade shows or taking business partners out to dinner.

7.1.1. *Gifts Given by Company Employees* - Gifts, outside of nominally valued promotional materials which contain company logos or brand names, or other things of value shall not be given to an employee of a customer, with the intent to influence that employee's conduct. Gifts, regardless of reason, are discouraged generally except for marketing purposes which should adhere to the following guidelines:

1. They are consistent with accepted business practices.
2. They are of sufficiently limited value and in a form that will not be construed as a bribe or payoff.
3. They are not in violation of applicable law and generally accepted ethical standards; and
4. Public disclosure of the facts will not embarrass the Company or our customers.

If you want to offer a gift worth more than \$40, you must obtain prior written approval from USSI's President.

No Payments, commissions or other compensation to or for the benefit of employees of customers (or their family members or associates) shall be paid by USSI or an individual acting on USSI's behalf unless required by written contract.

Entertainment expenses –

- Lunch/dinner (including spouses) are not allowed for US Government employees.
- Reasonable entertainment expense is allowable for non-US Government customers for sales and marketing purposes

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7.1.2. *Gifts Received by Company Employees* - Employees will not seek or accept for themselves or others any gifts nor will they seek or accept personal loans other than conventional loans at market rates from lending institutions from any persons or business organizations that do or seek to do business with or is a competitor of the Company.

Employees may accept for themselves and members of their families common courtesies usually associated with customary business practices. These business practices may vary from country to country. These include but are not limited to:

- Lunch and/or dinner with suppliers sometimes including spouses as long as the invitation is extended by the supplier and is reciprocal.
- Gifts of small value from suppliers such as calendars, pens, pads, knives, etc. containing company logo.
- The receipt of alcoholic beverages is discouraged.
- Gifts of perishable items usually given during the holidays such as hams, cookies, nuts, etc. are acceptable.

A strict standard is expected with respect to gifts of any kind from suppliers.

- Day-long golf outings are acceptable with prior written approval from USSI's Ethics Officer or Chief Compliance Officer. The supplier must be in attendance and participation by the employee's family members is not acceptable.
- Use of supplier's facilities (vacation homes, etc.) by employees or families for personal use is prohibited.
- It is never permissible to accept a gift in cash or cash equivalent such as stocks or other forms of marketable securities of any amount.

Management employees should not accept gifts from those under their supervision of more than limited value.

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- 7.1.3. *Gift Log* - All gifts above \$40 and all corporate hospitality events above \$160, whether given or receive, must be recorded on the USSI Gift Log. The USSI employee giving or receiving the gift must send notification to a Human Resources department Administrative Assistant who will log the gift. The employee should provide Human Resource with a description of the gift, an estimate of the value, and how the gift was dispositioned (kept by employee, turned in to HR for raffle, etc..)
- 7.2. *Conflicts of Interest* - Employees should avoid any situation which involves or may involve a conflict between their personal interest and the interest of the Company. As in all other facets of their duties, associates dealing with customers, suppliers, contractors, competitors or any person doing or seeking to do business with the Company are to act in the best interest of USSI. Each employee shall make prompt and full disclosure in writing to USSI's Ethics Officer or USSI Chief Compliance Officer of any potential situation which may involve a conflict of interest by completing QAPG-6001F01 – Conflict of Interest Disclosure. Such conflicts include:
- Ownership by associate or by a member of their family of a significant interest in any outside enterprise which does or seeks to do business with or is a competitor of the Company.
 - Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise which does or is seeking to do business with or is a competitor of the Company. Exceptions to this can be approved by the USSI President.
 - Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the Company or its interests.
 - Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the associate from acting in the best interest of the Company.
- 7.3. *Proprietary Data* - The Company's trade secrets and proprietary information are parts of its valuable Intellectual Property. These include technical, financial, operating, marketing, and administrative information in many forms. Protection of their confidentiality is vital. An employee shall not use such information for personal benefit.

Furthermore, an employee shall not disclose or make public such information except with the authorization of the Company Ethics Officer or otherwise in accordance with the Company's policies and procedures. This restriction on disclosure to others applies to the Government and to prime contractors, subcontractors and suppliers, as well as to the general public.

Whether inside or outside the Company and its facilities, an employee shall take reasonable precautions to protect such information from inadvertent disclosure.

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Company employees may from time to time receive or have access to trade secrets or proprietary data of the Government, other corporations, and others. Employees shall handle these in accordance with any agreements concerning their use or disclosure, and with the same care and under the same restrictions as if they were trade secrets or proprietary data owned by the Company.

Furthermore, employees shall not disclose to other Company employees or use for the benefit of the Company the trade secrets and proprietary data of their former employers.

- 7.4. *Use of Company Time and Property* - Company property, physical or intellectual, may not be used for personal advantage. This policy applies to all resources, from computers, copy machines, printers and office supplies to Company phones used excessively for private calls. Casual personal use of phones and computers is permitted, but using company computers for personal gain (running a business) is not permitted. Use of Company assets for any unlawful or unethical purposes is strictly prohibited. Management may allow short term casual loans of low value assets such as chairs, tables, hand tools and other to its employees on a non-interference basis.

Time Charging – It is critical that USSI observes fair, honest billing practices in accordance with Government regulations. This rule is absolute. Correct time reporting, on a daily basis, is the responsibility of the individual employee and the employee’s supervisor or department manager.

- 7.5. *Employment of Current and Former U.S. Government Employees* - Federal, state and local laws and regulations establish a number of requirements or restrictions on present and former Government employees. An employee who formerly worked for the Government, or who serves as a special Government employee or a reservist on active duty, shall strictly comply with these rules. It is Company policy that discussions of possible future employment may not be held with a current United States Government employee as it violates these rules.

- 7.6. *Political Contributions* - No funds or assets of the Company shall be used for or in aid of any candidate or nominee for federal political office in the United States or for or in aid of any political parties or committees in connection therewith.

No funds or assets of the Company shall be used for or in aid of any candidate or nominee for state or local political office in the United States or for or in aid of any political parties or committee in connection therewith unless otherwise permitted by law.

These prohibitions cover direct contributions and indirect assistance such as the furnishing of goods, services or equipment to candidates, political parties or committees. Federal law prohibits such corporate contributions as to federal elections.

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7.7. *Kickbacks* - Kickback, as used in the Federal Acquisition Regulations, means: any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract. The Anti-Kickback Act of 1986 was passed to deter subcontractors from making payments and contractors from accepting payments for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or a subcontract relating to a prime contract. The act prohibits any person from:

- Providing or attempting to provide or offering to provide any kickback;
- Soliciting, accepting, or attempting to accept any kickback; or
- Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime contractor to the United States or in the contract price charged by a subcontractor to a prime contractor or higher-tier subcontractor.

7.8. *Consultants* - Properly utilized, consultants may be able to assist the Company in achieving its legitimate business objectives. However, employees must ensure that consultants to the Company comply with relevant laws, regulations, Company policies, and terms of their consulting agreements, including requirements concerning procurement information and conflicts of interest. Consulting agreements shall require such compliance. Consultants' costs are unallowable if contingent upon recovery of the costs from the Government, or not reasonable in amount, documented and allocable to Government work.

7.9. *Reporting* - Alternatives are available to employees to report suspected violation of or to ask questions about USSI's Ethics and Compliance Policy or these standards. These alternatives are:

- Fellow Employees
- Your immediate supervisor.
- Human Resources
- USSI's Chief Compliance Officer
- USSI's Facility Security Officer
- USSI's Ethics Officer
- USSI Senior Management

Any employee wishing to report a suspected violation of the Business Ethics Awareness and Compliance Guidelines may contact the Ethics Helpline by calling (866-384-4277) or by logging on to the EthicsPoint website, or calling the Department of Defense Hotline (800-424-9098) and making a report. Employees

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have the option of giving their name or remaining anonymous. An investigation of the reported suspected violation will ensue and corrective action instated as required.

Please note that the Helpline is not the appropriate place to register an employee grievance if you feel you are not properly treated in accordance with Ultra Electronics Human Resources or other policies. Those reports should be made to your supervisor, manager, or to your Human Resources Department in the first instance. If you cannot raise a grievance within your business for some reason then the Helpline should be used. Use of the Helpline is appropriate when someone else is mistreating others or not complying with the Code, other Ultra Electronics policies, or any law or government regulation.

The Helpline is not the appropriate place to register a security violation. Those reports should be made to your Facility Security Officer (FSO) or the Department of Defense (DoD) Hotline according to the requirements of the National Industrial Security Program Operating Manual (NISPOM).

- 7.10. *Enforcement* - Any infractions of these standards will not be tolerated and USSI will act quickly in correcting improper conduct or for failing to take reasonable measures to prevent or detect improper conduct. Any employee found to have violated these standards may be subject to disciplinary action, up to and including termination of employment.

8. Training

USSI Process Group Leaders will be trained on the use of this standard. Records of training should be provided to Human Resources.

9. Lessons Learned

During the execution of this standard through organizational activities, lessons learned will be collected by the QAPG and reflected through updates to this standard.

10. Maintenance

Management of this standard is the responsibility of the QAPG. This standard will be reviewed and updated as required by organizational activities that affect it. In the absence of any activities, this process shall be reviewed every three years at a minimum.

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Change Log

Date	Revision	Change Author	Change	Reason for Change
17-Sep-18	-	G. Jason Borne	Initial Release of the document	N/A

Approval(s)

Title	Printed Name	Signature & Date
QAPG Lead	Angela Level	USSI\AHLEVE on 9/18/2018
Chief Compliance Officer	G. Jason Borne	USSI\GJBORN on 9/18/2018
Ethics Officer	Mark Trout	USSI\DMTROU on 9/18/2018