



Day&Zimmermann

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Policy: Supplier Anti-Corruption

Policy No.: 1331-17

Responsible Officer: Senior VP Finance and CFO

1.0 The objective of this Supplier Anti-Corruption Policy is to communicate the Company's expectations for suppliers regarding anti-corruption and to establish the requirements for vetting suppliers for anti-corruption matters in accordance with applicable laws and regulations prior to signing contracts with suppliers.

2.0 Anti-Corruption Laws

The Company's suppliers must comply with the anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act, OECD Anti-Bribery Convention, and the U.K. Bribery Act.

The Company requires its suppliers to refrain from offering or making any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitation of 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. Personal safety payments are permitted where there is an imminent threat to health or safety.

The Company's suppliers are to be aware that in some countries the government often owns or controls commercial enterprises. Employees of such state-run enterprises could fall under the definition of "government officials" and payments to them could be considered bribery under the U.S. Foreign Corrupt Practices Act or other anti-corruption laws.

The Company expects its suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.

The Supply Chain Organization must refer to Company policies in Section 1500 to determine appropriate risk assessments and vetting for all international business relationships.

2.1.1 Illegal Payments

The Company's suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, agents, representatives or others. The receipt, payment, and/or promise of monies or anything of value, directly or indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate local law.

2.1.2 Anti-Trust

The Company's suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. The Company's suppliers must refrain from participating in a cartel.

2.1.3 Gifts/Business Courtesies

The Company expects its suppliers to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by law and regulation, does not violate the rules and standards of the recipient's organization, and is consistent with reasonable marketplace customs and practices.

2.1.4 Insider Trading

The Company's suppliers and their personnel must not use material, non-publicly disclosed information obtained in the course of their business relationship with the Company as the basis for trading or for enabling others to trade in the securities of the Company's suppliers, customer, or competitors.

2.1.5 Human Trafficking

The Company's suppliers and their personnel are required to comply with the Company's commitment to respecting human rights and combatting all forms of human trafficking. The Supply Chain Organization must vet suppliers to ensure they do not have a history of human rights violations. Suppliers must commit to complying with the Company's zero tolerance policy against trafficking in persons.

3.0 Vetting Suppliers for Anti-Corruption Matters

- The Supply Chain Organization is the single point of contact for establishing a supplier in SAP/SEP and will verify suppliers are not identified on the U.S. Government's Office of Foreign Assets Control (OFAC) and other sanctions lists. The Company will also comply with any other such list published by relevant authorities in the countries where it does business where practical.
- The Supply Chain Organization must follow the processes set forth in Company policies in Section 1500 relating to anti-corruption for all international business relationships.
- Supply Chain teammates supporting the Company's Munitions & Government (DZMG) and Government Services (DZGS) Business Groups (and any Business Group supporting a U.S.

Government contract) must follow additional policies specific to that Business Group's contracts with the U.S. Government for risk assessment and vetting of suppliers.

- For DZMG and DZGS (and any Business Group supporting a U.S. Government contract), all procurements of all non-commercially available off-the-shelf (COTS) items over \$35,000, the Supply Chain Organization will verify via third party that the supplier is not debarred, suspended, or proposed for debarment pursuant to FAR 52.209-6.
- The Supply Chain Organization will issue an annual communication to the Company's suppliers reiterating the requirements for suppliers to conform to the Company's anti-corruption policies. The Supply Chain Organization also will remind suppliers that failure to comply may result in loss of business.
- The Company may suspend a supplier for corruption, which may include, but is not limited to, the following reasons:
 - Commission of fraud or criminal offense in obtaining or performing a contract
 - Violating antitrust laws related to the submission of offers
 - Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of federal criminal tax law, or receiving stolen property
 - Intentionally using a false 'Made in America' label
 - Violations of the Drug-Free Workplace Act of 1988
 - Committing unfair trade practices
 - Any action indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a U.S. Government contractor
 - Human trafficking
- When suspension of a supplier becomes necessary based on any of the above reasons, the Supply Chain Organization will notify the Law Department immediately.

4.0 The Supply Chain Organization is responsible for ensuring that the suppliers sourced are vetted in accordance with the requirements of this policy and the suppliers understand the Company's expectations regarding anti-corruption as described in Section 2.0 above.

5.0 Related policies include:

- [Policy 1418](#) – Human Rights and Against Trafficking in Persons
- [Policy 1502](#) – International Business Relationships
- [Policy 1505](#) - Compliance with Laws/Regulations Governing Imports / Exports
- [Policy 1504](#) - Foreign Corrupt Practices Act Compliance
- [Policy 1506](#) – Anti-boycott Laws and Reports Required Thereunder