

# SUPPLIER CODE OF CONDUCT



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The Supplier Code of Conduct provides our suppliers - and potential suppliers hoping to conduct business with us – with an understanding of the ethical behavior we expect from the members of our supply chain. The Supplier Code of Conduct mirrors Qualastat’s Code of Ethics and Conduct set forth for our employees, owners, and business associates.

# Supplier Code of Conduct

## EXPECTATIONS AND REQUIREMENTS FOR THE SUPPLY CHAIN

### Codes of Conduct and Sub-tier Suppliers

Commensurate with size and nature of their business, we expect our suppliers to comply with all laws, regulations, and expectations related to or expressly addressed in the Supplier Code of Conduct. We strongly encourage our suppliers to implement their own written code of conduct and to flow down these principles to their sub-tiers.

### Reporting

Employees of our suppliers should be provided with an adequate avenue for raising questions or reporting concerns related to unethical behavior. Our suppliers should have no toleration for retaliation made against a reporting employee.

### Counterfeit Parts

We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective process should be in place to detect counterfeit parts and materials and mark parts obsolete as appropriate.

### Fair Competition/Anti-Trust

Our suppliers shall conduct their business in accordance with all applicable anti-trust or anti-corruption laws and regulations. Suppliers shall avoid business practices such as entry into arrangements that unlawfully restrain competition, improper exchange of competitive information, price fixing, bid rigging, or improper market allocation.

### Conflicts of Interest

Our suppliers are to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Qualastat Electronics. We expect our suppliers to report to Qualastat Electronics any situations of potential or apparent conflicts between their personal interests and the interests of Qualastat Electronics.

## Export/Import Control

We expect our suppliers to engage in business practices that comply with all laws and regulations pertaining to the governance of the import and export of domestic and foreign origin parts and components related to technical data.

## Non-discrimination

Our suppliers are expected to provide equal employment opportunity to employees and applicants for employment with zero regard to: race, color, creed, religion, national origin, sex, sexual orientation, gender identity and expression, age, veteran status, or disability, so long as the essential functions of the job can be performed with or without reasonable accommodations.

## Conflict Minerals

We expect our suppliers to take steps to determine if their products contain conflict minerals (tin, tantalum, gold, and tungsten). If these minerals are present in any of their products, our vendors are to implement due diligence processes throughout their supply chain to determine where the minerals are originating from and support efforts to eradicate the use of conflict minerals which directly or indirectly finance or benefit armed groups in the Democratic Republic of Congo and adjoining countries.

## Environment

We expect our suppliers to operate in a manner that actively manages risk, conserves natural resources, and protects the environment. This includes the application of environmental management system principles in order to establish a systematic approach to the management of risks/hazards and opportunities associated with the environment, including potential risk from regulatory non-compliance, reputational loss, and opportunities for business growth through operational and product stewardship.

## Employee Safety and Health

We expect our suppliers to comply with applicable safety and health laws, regulations, policies, and procedures. Suppliers should provide for the health, safety, and welfare of all people affected by their activities including employees and visitors.

## Harassment

We expect our suppliers to ensure that employees may perform their work in an environment free from physical, psychological and verbal harassment, or other abusive conduct.

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## Drug-Free Workplace

We expect our suppliers to maintain a workplace free from illegal drugs.

## Laws, Regulations, and Contracts

Our suppliers must, at a minimum, perform all duties and expectations in compliance with all laws and regulations applicable to their business. Suppliers must comply with all flow-down terms, conditions, and other provisions specified by Qualastat purchase orders. When conducting business internationally, or the primary place of business is outside of the United States, suppliers must comply with local laws and regulations.

## Anti-Corruption

We have no tolerance for corruption, and expressly prohibit anyone conducting business on our behalf, including suppliers, 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 the offer or acceptance of any bribe or kickback to or from any customer, supplier, or others.

## Gifts/Business Courtesies

We compete on the merits of our products and services and do not use the exchange of business courtesies to gain an unfair competitive advantage. We expect the same of our suppliers in the offering or receipt of any gift or business courtesy, including cash and/or cash equivalents. Please note that Qualastat employees who are in any way involved in procurement decisions may not accept any business courtesies, with the exception of low-value, promotional items that have an aggregate market value of \$10 or less. In any business relationship, our 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, is consistent with reasonable marketplace customers, and will not adversely affect the reputation of Qualastat Electronics.

## Confidential/Proprietary Information

Our suppliers should take proper care to protect all sensitive information, including confidential, proprietary, and personal information. Information should never be used for purposes beyond the scope of the business arrangement with our company, without prior, written authorization.

## Financial Responsibilities/Accurate Records

It is expected that our suppliers accurately record, maintain, and report business documentation, including but not limited to: financial accounts, quality reports, time records, expense reports, resumes and submissions to Qualastat Electronics, the customer, or regulatory authorities.

## Human Rights

Suppliers are to treat people with respect and dignity, encourage diversity and diverse opinions, promote equal opportunity for all, and help create an inclusive and ethical culture.

## Human Trafficking

Suppliers shall not engage in the use of forced, bonded (included debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons. This includes transporting, harboring, recruiting, transferring, or receiving vulnerable persons by means of threat force, coercion, abduction, or fraud for the purpose of exploitation.

## Child Labor

Suppliers 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.