



EXCEPTIONAL SERVICE, **PRECISE** SOLUTIONS.

S U P P L I E R

**CODE OF CONDUCT**

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## SUPPLIER EXPECTATIONS

Precise Systems (Precise) philosophy has been and will always be to sustain the highest possible business ethics in the pursuit and performance of business activities. As a partner to Precise, it is the expectation our suppliers will also conduct business dealings with the highest degree of honesty and integrity, including interactions with employees, fellow partner companies, Precise, customers, and our community. Commensurate with the size and nature of their businesses, we expect our suppliers to have management and business systems to support compliance with all applicable laws, regulations, and the highest possible business ethics. We expect Suppliers to comply with FAR 52.203-13 as appropriate and actively encourage them to implement their own written Code of Conduct and Business Ethics and flow down the principles of that code to their suppliers and subcontractors.

This document expresses the expectations Precise Systems holds for all Precise suppliers, subcontractors, consultants, and vendors in delivering services and/or goods to Precise and our ultimate customers, including the United States Government.

## THE PRECISE EXPECTATIONS OF OUR SUPPLIERS

### COMPLIANCE WITH THE LAW

Precise expects its' suppliers to maintain full compliance with all laws and regulations applicable to their business, including local laws and regulations outside the United States where the Supplier conducts business or maintains a place of business.

### QUALITY

Precise provides Exceptional Service and Precise Solutions to our customers. Suppliers must take due care to ensure their work product meets our company's quality standards. We expect our suppliers to have quality assurance processes in place to identify defects and implement corrective actions and facilitate the delivery of a product whose quality meets or exceeds the contract requirements. In addition, is our expectation that Supplier will maintain a motivated and highly skilled workforce, strive to deliver defect-free products and exceptional services, and enhance customer satisfaction and loyalty by exceeding requirement and expectations.

### ACCURATE RECORDS

Suppliers are to create and maintain accurate records and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. Documents should be retained based on applicable retention requirements. Suppliers performing as U.S. Government contractors (whether direct or indirect) must comply with the requirements in FAR 4.703. Suppliers that are performing as or fulfilling a U.S. Government role in their prescribed work must comply with the records requirements of the affected agency and any relevant National Archives and Records Administration (NARA) requirements that apply to that agency.

### TIMEKEEPING

All hours worked and billed in support of a Government contract must be accurately recorded and charged appropriately in accordance with the terms of the Supplier's agreement. This or similar language must be flowed down to suppliers at all tiers where billable labor is part of the Supplier's work scope.

## WORKPLACE AND EMPLOYMENT PRACTICES

*Precise Systems expects our suppliers to:*

- Ensure their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment or other abusive conduct.
- Provide equal employment opportunity to its employees and applicants for employment, without regard to race, ethnicity, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, or mental or physical disability, so long as the essential functions of the job can be competently performed with or without reasonable accommodation.
- Maintain a workplace free from illegal use, possession, sale, or distribution of controlled substances.
- Foster an inclusive work environment where individuals are treated with dignity and respect.
- Perform work in an environment that is free from harassment or other abusive conduct.
- Not engage in the use of forced or bonded labor, slavery, or trafficking of persons.
- Comply with applicable laws and regulations on pay, benefits, working hours, health, welfare and safety, and the rights of individuals to join trade unions and participate in collective bargaining.
- Provide employees and third parties with access to adequate reporting channels to seek advice or raise legal or ethical concerns without fear of retaliation, including opportunities for anonymous reporting.
- Take action to prevent, detect and correct retaliatory actions.

Suppliers should allow employees to freely choose to work or to leave employment. We also expect our suppliers to 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.

## ANTI-CORRUPTION

We expect our suppliers to comply with all relevant laws and regulations regarding anti-corruption including, where applicable, the Foreign Corrupt Practices Act and the UK Bribery Act. Precise Systems has a zero tolerance for any corrupt activity. Precise Systems will not tolerate corrupt activity involving government officials, our commercial business partners, or the receipt of bribes or kickbacks by Precise Systems personnel. We will not offer, give, or receive any payment, benefit or gift that may be construed as a bribe, for any business purpose whether directly or through a third party.

Precise Systems expects its suppliers to be similarly intolerant of corrupt activity and to have appropriate and adequate procedures to prevent such activity from taking place. Precise Systems does not pay 'facilitation' payments and will not pay for the expediting of routine government activity unless there is a formal lawful fee schedule for expedited service, and we similarly expect that our suppliers will not make such payments in connection with any Precise Systems business.

## ANTI-TRUST

Our suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information or other non-public protected information with competitors. Our suppliers must refrain from participating in a cartel.

## GIFTS

The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, our suppliers must ensure the offering or receipt of any gift or business courtesy is permitted by law and regulation, these exchanges do not violate the rules and standards of the recipient's organization, and are consistent with reasonable marketplace customs and practices.

## INSIDER TRADING

Our suppliers and their personnel must not use material or non-publicly disclosed information obtained in the course of their business relationship with us as the basis for trading or enabling others to trade in the securities of our company or those of any other company.

## MONEY-LAUNDERING

Suppliers shall maintain the appropriate mechanisms to ensure neither it nor its employees use the Supplier's relationship with Precise System to disguise the sources of illegally obtained funds.

## CONFLICTS OF INTEREST

We expect our suppliers to avoid all conflicts of interest or situations, giving the appearance of a potential conflict of interest in their dealings with our company. We expect our suppliers to notify all affected parties in the event an actual or potential conflict of interest arises, whether organizational or personal. This includes a conflict between the interests of our company and own interests or those of close relatives, friends, or associates. This or similar language must be flowed down to lower-tier suppliers. Any potential conflict must be disclosed to the Supplier's contractual representative and vetted in advance of any such performance.

## TIMELY PAYMENTS

We expect our suppliers to pay their suppliers on time in accordance with agreed contractual payment terms.

## INFORMATION PROTECTION, PERSONAL, CONFIDENTIAL AND PROPRIETARY INFORMATION

We expect our suppliers to protect sensitive information, including confidential, proprietary, and protected personal information. Information should not be used for any purpose other than the business purpose for which it was provided without prior authorization. Where such information is held or transferred electronically, we expect our suppliers to implement appropriate IT cybersecurity and notify us of any suspected or actual data breaches. We expect our suppliers to comply with applicable intellectual property rights and data privacy laws. Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorized access, destruction, use, modification, and disclosure through appropriate physical and electronic security procedures. Suppliers must comply with all applicable data privacy laws. Supplier is expected to utilize necessary physical and electronic security measures to protect such information against unauthorized access, use, destruction, modification, or disclosure and ensure compliance with DFARS clause 252.204-7012 – Safeguarding Covered Defense Information, when applicable. Suppliers shall provide an extension of this requirement to all sub-tier sources they employ.

## ENVIRONMENT

Our suppliers are to operate in a manner that actively manages risk, conserves natural resources, and protects the environment. We expect our suppliers to apply environmental management system principles to establish a systematic approach to managing risks/hazards. This system will also provide opportunities associated with the environment, including potential risk from regulatory non-compliance, reputation loss, and opportunities for business growth through operational and product stewardship. Suppliers should protect the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

## GLOBAL TRADE COMPLIANCE

When applicable, suppliers are encouraged to implement practices and procedures to ensure the security of their supply chains in accordance with the Customs-Trade Partnership Against Terrorism initiative of the U.S. Department of Homeland Security this includes, but not limited to::

- a. **Import/Export** – Supplier is expected to ensure its business practices are in accordance with all applicable laws, regulations, and directives governing the import of export of parts, components, technical data and defense items or services, including the requirement to register with the U.S. State Department's Directorate of Defense Trade Controls if Supplier is either a manufacturer or an exporter of defense articles.
- b. **Anti-Boycott** - Our suppliers must not participate in, cooperate with, or further the cause of any unsanctioned foreign economic boycott, in accordance with the 1977 Export Administration Act and the 1976 Tax Reform Act.
- c. **Conflict Minerals** - Suppliers must adhere to Federal laws and regulations requiring reporting companies to make specialized disclosure and conduct due diligence concerning their use of conflict minerals that may have originated in the Democratic Republic of the Congo (DRC) or an adjoining country. We expect our suppliers to develop due diligence processes to meet our obligations to ensure all products are responsibly manufactured.
- d. **Counterfeit Components** - We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products to prevent counterfeit parts and materials being delivered. Effective processes should be in place to detect, report, and quarantine counterfeit parts and materials and avoid such parts re-entering the supply chain. We expect our suppliers to only use parts from Original Equipment or Component Manufacturers or their authorized sources and comply with applicable laws, regulations, and industry 'best practice' protocols when conducting business with Precise.

## ETHICAL VIOLATIONS

- a. **Whistleblower Protection** - We expect our suppliers to provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. We expect our suppliers to take action to prevent, detect, and correct any retaliatory actions.
- b. **Consequences for Violating these Expectations** - In the event of a violation of any of the above expectations, we may pursue corrective action to remedy the situation. In the case of a breach of law or regulation, we may be required to report those violations to proper authorities. We reserve the right to terminate our relationship with any supplier under the terms of the existing procurement/purchasing contract.

## ETHICS HOTLINE

If a supplier or its' employee has a concern regarding the expectations or suspects a violation of the Precise Code of Business Ethics and Conduct, The Supplier Code of Conduct or any law or regulation applicable to Precise System, email [Compliance@GoPrecise.com](mailto:Compliance@GoPrecise.com) or reports can be made anonymously by calling **1-805-392-5105**.

## GENERAL DISCLAIMER

This document is in no way intended to conflict with or modify the terms and conditions of any existing employment, subcontract, purchase order, or other applicable agreement. In the event of a conflict, suppliers must first adhere to applicable laws and regulations, then terms and conditions of any applicable agreement, followed by terms of this Code.



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*HDBK-SCTR - 000 Rev. 01*

