



SUPPLIER CODE OF CONDUCT

1. Policy Statement

Means Engineering, Inc. (MEI) is committed to conducting business in an ethical, legal, and socially responsible manner. Means Engineering expects its suppliers to share this commitment and, therefore, has established this Supplier Code of Conduct. Although there may be different legal and cultural environments applicable to its suppliers, Means Engineering's suppliers must meet the following minimum requirements to do business with Means Engineering.

2. Compliance with Laws, Regulations, and Published Standards

Suppliers must comply with all applicable laws, codes, or regulations of the countries, states, and localities in which they operate. This includes laws and regulations relating to environmental, occupational health and safety, and labor practices. In addition, Suppliers must require their suppliers (including temporary labor agencies) to do the same.

3. Environmental Practices

Suppliers shall comply with environmental laws and regulations applicable to their operations worldwide. Such compliance shall include, among other things, the following items:

- Obtaining and maintaining environmental permits and timely filing of required reports;
- Manage, reduce and properly dispose of wastewater and other types of waste;
- Adhere to all materials restrictions requirements;
- Reduce or eliminate pollutants, energy consumption and greenhouse gas emissions;
- Proper handling and disposition of hazardous materials and;
- Monitoring, controlling, and treating discharges generated from operations.

4. Occupational Health and Safety Practices

Suppliers shall provide their employees with a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the supplier. Suppliers shall, among other things, provide:

- Occupational health and safety and emergency preparedness programs and training;
- A system for injury and illness reporting with injury prevention;
- Medical treatment and/or compensation to injured/ill workers arising as a result of working for supplier;

- Machine safeguarding and other protective measures to prevent injuries/illnesses to workers and;
- Clean and safe facilities.

5. Labor Practices

Suppliers shall adopt sound labor practices and treat their workers fairly in accordance with local laws and regulations. In addition, suppliers must comply with the following standards:

- **Freely Chosen Employment.** Suppliers shall not use any forced labor, whether in the form of human trafficking, slavery, prison labor, indentured labor, bonded labor, or otherwise;
- **Forced Labor.** Suppliers shall not incorporate into their products materials which were produced using forced labor;
- **No Child Labor.** Suppliers shall comply with local minimum working age laws and requirements and not employ child labor that violates any governing laws;
- **Minimum Wages and Benefits.** Suppliers shall provide wages commensurate with local wage laws and legally mandated benefits;
- **Working Hours.** Suppliers shall not require workers to work more than the maximum hours of daily labor set by local laws;
- **Humane Treatment.** Suppliers shall treat each employee with dignity and respect. In no event shall Supplier's workers be subject to threats of violence, physical punishment, confinement, or other form of physical, sexual, psychological harassment or abuse;
- **No Discrimination.** Suppliers shall not discriminate in its employment practices on the basis of race, color, religion, sex, age, physical disability, national origin, creed, or any other basis prohibited by law and;
- **Freedom of Association.** Suppliers shall recognize and respect the rights of its workers to show their freedom to associate in accordance with local labor laws and established practices.

6. Ethical Business Practices

Suppliers shall conduct their businesses in accordance with the highest standards of ethical behavior and in accordance with applicable laws and regulations. Suppliers are expected to conform to these requirements in each of the following areas:

- **Fair Trade Practices.** Suppliers shall not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of antitrust laws;
- **Bribery, Kickbacks, and Fraud.** No funds or assets of the supplier shall be paid, loaned, or otherwise disbursed as bribes, kickbacks, or other payments designed to influence or compromise the conduct of Means Engineering;
- **Foreign Corrupt Practices Act of 1977 (FCPA) (15 U.S.C. § 78dd-1, et seq.)** While laws and customs vary throughout the world, all suppliers must comply with foreign legal

requirements, United States law, and local laws that apply to foreign operations, including the foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining or retaining business; <https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2015/01/16/guide.pdf>

7. RoHS/REACH Compliance

RoHS, also known as Lead-Free, stands for Restriction of Hazardous Substances. RoHS, also known as European Directive 2002/95/EC. Material and finish content should not exceed the acceptable levels allowed for Lead (Pb), Cadmium (Cd), Mercury (Hg), Hexavalent chromium (Hex-Cr), Polybrominated biphenyls (PBB), and Polybrominated diphenyl ethers (PBDE). The purpose of this Directive is to approximate the laws of the Member States on the restrictions of the use of hazardous substances in electrical and electronic equipment and to contribute to the protection of human health and the environmentally sound recovery and disposal of waste electrical and electronic equipment.

Suppliers that sell applicable electrical or electronic products, sub-assemblies or components directly to RoHS countries, or sells to resellers, distributors or integrators that in turn sell products to these countries must comply in full accordance with RoHS regulations and document all testing for RoHS controlled substances.

The RoHS Directive currently applies to products in Categories 1 through 7. Categories 8 and 9 are exempted from compliance.

- RoHS specifies maximum levels for the following restricted materials:
 - Lead (Pb): < 1000 ppm
 - Mercury (Hg): < 100 ppm
 - Cadmium (Cd): < 100 ppm
 - Hexavalent Chromium (Cr VI) < 1000 ppm
 - Polybrominated Biphenyls (PBB): 1000 ppm
 - Polybrominated Diphenyl Ethers (PBDE): < 1000 ppm
 - Bis(2-Ethylhexyl) phthalate (DEHP): < 1000 ppm
 - Benzyl butyl phthalate (BBP): < 1000 ppm
 - Dibutyl phthalate (DBP): < 1000 ppm
 - Diisobutyl phthalate (DIBP): < 1000 ppm
- Suppliers must have a program in place to collect and maintain the specific information required and provide a declaration of conformity when requested.

REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a comprehensive regulation for tracking, testing, and reporting on all chemicals used in the European Union (EU). This rule applies to EU entities, including Means Engineering's EU suppliers and EU customers that import, use, or manufacture chemical substances in the EU.

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- Suppliers must understand, implement and monitor chemical substance laws world-wide to ensure that the products sold to Means Engineering are compliant with such laws, and that the products shall remain compliant following any reasonably anticipated use, storage, distribution, shipment, import, export, sale, or disposal of the product by MEI. Such chemical substance laws include but are not limited to the following and their implementing regulations: Restriction of the use of Hazardous Substances Directive (RoHS), the Toxic Substances Control Act (TSCA).the Registration, Evaluation, and Authorization of Chemicals (REACH)
- Supplier shall fully understand, and continuously monitor developments in, the requirements of the Chemical Substance Laws. Supplier shall be responsible for providing Means Engineering written notice of any limitations on Means Engineering's use, storage, distribution, shipment, import, export, sale, or disposal of any Products, or chemical substances contained in such Products under such Chemical Substance Laws.
- Supplier shall provide Means Engineering with written certifications that the Products, and all chemical substances present in such Products, comply with all applicable local, federal, national, and international products, chemical and hazardous substance regulations. Such certifications shall be in a form acceptable to Means Engineering. Upon Means Engineering request, Supplier shall provide Means Engineering all information reasonable necessary for Means Engineering to make its own determination concerning Product compliance. Supplier agrees to provide Means Engineering a written certification as to the accuracy of all information provided by Supplier to Means Engineering under this subsection.
- Subject to certain thresholds, EU entities who manufacture or import substances on their own or in mixtures and EU entities that produce or import products that contain substances intended for release (greater than one metric ton per year) must register those substances with the European Chemicals Agency (ECHA). Certain substances may benefit from a phased-in registration schedule if the substance was pre-registered before December 1, 2008.
- EU producers or importers of articles must notify ECHA if the articles contain a Substance of Very High Concern (SVHC) in concentrations greater than 0.1% of the article weight, and if the SVHC in those articles is greater than one metric ton per year - unless there is no exposure of the SVHC to humans or the environment during normal or reasonably foreseeable conditions of use or the substance is registered for that use. Notifications for SVHCs are due six months after inclusion of those substances on ECHA's candidate SVHC list. The list of candidate SVHCs, is linked here: http://echa.europa.eu/home_en.Asp
- EU entities must apply for authorization to place on the market for use or to use themselves any SVHC listed in Annex XIV of REACH. Many conditions must be satisfied for authorization to be granted for continued (though temporary) use of an Annex XIV listed substance beyond the substance's "sunset date". The Annex XIV Authorization List is linked here. <https://echa.europa.eu/addressing-chemicals-of->

[concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list](#)

8. Conflict Minerals(Dodd-Frank Section 1502).

- As a Supplier to MEI, you shall: Ensure that parts and products supplied to Means Engineering containing tungsten, tantalum, tin and gold (3TG), be DRC Conflict-free. DRC Conflict-free parts and products contain no metals derived from “Conflict Minerals” such that they directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of Congo, or adjoining countries where human rights violations are alleged.
- Cooperate with Means Engineering to conduct reasonable due diligence within their supply chain, provide appropriate declarations showing evidence of same from time to time, and implement internal policies and procedures so that Means Engineering may make accurate legally required disclosures and to enable Means Engineering products to be DRC Conflict-free.

9. Information Security

As a Supplier to MEI, you shall:

- Insure the intellectual property rights of others, especially Means Engineering, its affiliates, and business partners. Suppliers shall take appropriate steps to safeguard and maintain confidential and proprietary information of Means Engineering and shall use such information only for the purposes specified for use by Means Engineering. Suppliers shall observe and respect all Means Engineering patents, trademarks, and copyrights, and comply with all requirements as to their use as established by Means Engineering.
- Protect information against unauthorized access.
- Assure the Confidentiality of information.
- Maintain the Integrity of information.
- Regularity and legislative requirements regarding Intellectual property rights, Data protection and privacy of personal information are met.
- Maintain and periodically test Business Continuity plans.
- Insure that staff receives sufficient Information Security training.
- Report and investigate all breaches of information security, actual or suspected.
- Comply with Means Engineering's published policies and procedures.

10. NAS 412 Foreign Object Damage/Foreign Object Debris (Fod) Prevention

Foreign Object Damage/Debris (FOD) Prevention Programs establishes policy, responsibilities, and requirements to prevent damage (e.g. to aircraft, engines, manufactured parts and other aeronautical equipment) and provides for a uniform FOD prevention procedure.

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Definitions:

Foreign Object Debris (FOD) – A substance, debris, or article alien to the component, assembly, system or vehicle that could cause damage.

Foreign Object Damage (FOD) – Any damage or incident attributed to a foreign object that can be expressed in physical or economic terms that may or may not degrade the product's required safety and/or performance characteristics

Requirements:

If required by purchase order, suppliers will implement processes and guidelines based on NAS 412, the National Aviation, defense, and space Standard (NAS) baseline FOD prevention policy/procedure of the Aerospace Industries Association (AIA). NAS 412 supports AS/EN/JISQ 9100, the quality management system standard which requires suppliers to carry out a program for the prevention, detection, and removal of foreign objects from its products.

The Supplier shall preserve the conformity of its products during internal processing and delivery to the intended destination. This preservation shall include;

- Processes, procedures and training to prevent Foreign Object Damage (FOD) caused by various forms of contaminants or objects that might ingest into internal cavities or surfaces of a part or assembly that may subsequently cause a failure or malfunction of the hardware.
- Prevent any substance, debris, or article alien to the assembly or subassembly which could potentially cause damage
- Prevent any damage attributed to a foreign object which may or may not degrade the assembly's required safety and/or performance characteristics.
- Suppliers should maintain a FOD prevention program that increases awareness to the causes, effects, and dangers of FOD, promotes active involvement through specific FOD prevention measures and techniques, and stresses good work habits through work disciplines.

11. Monitoring and Compliance.

Suppliers shall conduct audits and inspections in some form to ensure their compliance with this Supplier Code of Conduct and applicable legal requirements. If a supplier identifies areas of non-compliance, the supplier agrees to notify the Means Engineering Supply Chain Management Group as to its plans to remedy any such non-compliance. Means Engineering or its representatives may engage in monitoring activities to confirm Supplier's compliance with this Supplier Code of Conduct, including on-site inspections of facilities, use of questionnaires or report cards, review of publicly available information, or other measures necessary to assess supplier's performance.

Any Supplier or Means Engineering employee that becomes aware of violations of this policy is obligated to notify the Means Engineering Supply Chain Management Group. Based on the assessment of information made available to Means Engineering, Means Engineering reserves the right (in addition to all other legal and contractual rights) to disqualify any potential supplier or terminate any relationship with any current supplier found to be in violation of this Supplier Code of Conduct without liability to Means Engineering.

http://means.wpengine.com/?page_id=6601

12. Application/Exclusions.

This Supplier Code of Conduct is a general statement of Means Engineering's expectations with respect to suppliers. This Policy is not in lieu of, but in addition to, any supplier obligations as set forth in any:

- Request for proposal or other solicitation;
- Purchase Order;
- Agreements by and between Means Engineering and the Supplier and;
- In the event of a conflict between this Policy and any Means Engineering solicitation document or applicable agreement, the terms of the Means Engineering solicitation or agreement shall control.

13. Failure to Comply.

Gross or intentional failure to comply with the policies, procedures or other requirements of the Supplier Code of Conduct may, in Means Engineering's sole discretion, constitute cause for termination of any agreement by and between Means Engineering and the Supplier on terms to be determined by Means Engineering.

SUPPLIER ACKNOWLEDGEMENT

The undersigned Supplier hereby acknowledges that it has received and read the Means Engineering Supplier Code of Conduct for Suppliers (the "Code"). Supplier acknowledges the importance of the Code to the proper conduct of business for and with Means Engineering. Supplier understands the Supplier's obligations as set forth in the Code and commits to conduct business in accordance with the Code at all times and to report all matters as they arise to the attention of Means Engineering.

Supplier acknowledges that Means Engineering may, in its sole discretion, revise the Code from time to time. Supplier understands its responsibility to comply with the then current Code posted on the Means Engineering website. Supplier acknowledges that failure to comply with the policies, procedures or other requirements of the Supplier Code of Conduct may, in Means Engineering's sole discretion, constitute cause for termination of any agreement by and between Means Engineering and the Supplier on terms to be determined by Means Engineering. Supplier understands that its agreement to comply with the Means Engineering Code of Conduct for Suppliers does not obligate Means Engineering to conduct business or place any orders with Supplier.

Please indicate your acceptance of the terms of this agreement by signing below and returning one original to my attention at the address below.

ACCEPTED AND AGREED TO BY:

David Means
Printed Name

Printed Name

David Means
Signature

Signature

11/14/16
Date

Date

Means Engineering
Company

Company

President
Title

Title

5927 Geiger Court, Carlsbad CA 92008
Address

Address