IAP SUPPLIER CODE OF CONDUCT
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IAP is firmly committed to serving its customers with the highest degree of integrity and ethics as outlined in our Code of Ethics & Business Conduct Handbook. IAP’s Code of Conduct and our Company’s commitment to ethics and values informs our decision-making process, defines and reinforces acceptable behavior, and often goes beyond compliance with any specific law.

IAP requires all suppliers to adhere to a Code of Conduct. Attached is a Model Supplier Code of Conduct which establishes the expectations we hold for suppliers, teammates and other third parties entrusted to partner with us to provide services or support to our customers and stakeholders.

IAP is a member of the Defense Industry Initiative (DII) on Business Ethics and Conduct. DII exists to promote the highest standards of ethical conduct in the defense industry. Recently, members of DII collaborated on the creation of a Model Supplier Code of Conduct. Its intended purpose is to promote consistency in the industry and avoid the situation where providers are forced to adopt multiple Codes of Conduct when working with multiple partners.

IAP has adopted the provisions contained in the DII Model Supplier Code of Conduct for all our suppliers. As such, we are pleased to provide the DII Model for your use.

This Supplier Code of Conduct outlines standards at the core of IAP’s business success. IAP expects absolute adherence to ethical standards of conduct from our employees, partners, and anyone involved in providing support to our customers. As a trusted partner to IAP, we expect your business practices to conform to these standards in a manner consistent with this Code and IAP’s Values and Honor Code. There is never a time when expediency or any other consideration can justify compromising those standards.

We strive to adhere to these standards and look forward to working with you on that basis.

Pascal J. Budge
Vice President, Chief Compliance Officer
IAP Worldwide Services, Inc.
IAP is a member of the Defense Industry Initiative (DII) on Business Ethics and Conduct and has fully adopted the tenets ascribed in the following DII Model Supplier Code of Conduct for all IAP Suppliers. “The members of the DII on Business Ethics and Conduct are committed to upholding the highest standards in all our business dealings with the U.S. Government, protecting taxpayer resources, and providing high-quality products and services for the men and women of the U.S. Armed Forces and their allies. Complying with all laws and regulations and ensuring fair competition are fundamental to this commitment. This Supplier Code of Conduct expresses the expectations we hold for suppliers throughout the aerospace and defense industry.”

General Disclaimer

This Supplier Code of Conduct is in no way intended to conflict with, or modify, the terms and conditions of any existing contract. In the event of a conflict, suppliers must first adhere to applicable laws and regulations, then the contract terms, followed by this Supplier Code of Conduct.
I. COMPLIANCE WITH LAWS

We expect our suppliers to fully comply with all laws and regulations applicable to their business, as well as applicable flow down terms, conditions and other provisions specified in any subcontract or purchase order.

When conducting international business, or if their primary place of business is outside the United States, suppliers must comply with local laws and regulations.

A. Maintain Accurate Records

We expect suppliers to create accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. When a record is no longer needed to conduct current business, records should still be retained based on the applicable retention requirements. Suppliers performing as US Government contractors (whether direct or indirect) must comply with the requirements in FAR 4.703. Suppliers that are performing or fulfilling a US 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.
II. HUMAN RIGHTS

We expect our suppliers to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, and foster an inclusive and ethical culture.

A. Child Labor

We expect our suppliers to ensure that illegal 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.

B. Human Trafficking Prohibition

Suppliers must adhere to regulations prohibiting human trafficking, and comply with all applicable local laws in the country or countries in which they operate. Suppliers must refrain from violating the rights of others and address any adverse human rights impacts of their operations. Suppliers must educate employees on prohibited trafficking activities, discipline employees found to have violated the law or rules, and notify the contracting officer of violations and action taken against employees. Specifically, suppliers are prohibited from the following in all contracts:

• Destroying, concealing, or confiscating identity or immigration documents;
• Using misleading or fraudulent tactics in recruiting;
• Charging employee recruitment fees or providing inadequate housing based on local standards, laws and directives;
• Failing to provide employment contracts and other documentation in the employee’s native language;
• Failing to provide return transportation upon the end of employment for employees brought to the country for the purpose of working on a U.S. government contract or subcontract; and
• Failing to interview and protect employees suspected of being trafficking victims.
III. EMPLOYMENT PRACTICES

A. Harassment

We expect our suppliers to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

B. Non-Discrimination

We expect our suppliers to provide equal employment opportunity to 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.

C. Substance Abuse

We expect our suppliers to maintain a workplace free from illegal use, possession, sale, or distribution of controlled substances.
IV. ANTI-CORRUPTION

A. Anti-Corruption Laws

Our 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 and the U.K. Bribery Act. We require our suppliers to refrain from offering or making any improper payments of money or anything of value to a government official, political parties, candidates for public office or other persons. This includes a prohibition on facilitating 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.

We expect our 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.

B. Illegal or Corrupt Payments Prohibited

Our suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their 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.

C. Anti-Trust

Our suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Our suppliers must not participate in a cartel.

D. Gifts/Business Courtesies

We expect our 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, our suppliers must ensure that the offer or receipt of any gift or business courtesy is permitted by law and regulation, and that these exchanges do not violate the rules and standards of the recipient's organization, and are consistent with reasonable marketplace customs and practices. IAP employees who are in any way involved in procurement decisions are held to a very high standard and may not accept any business courtesy with the exception of a small promotional item of very low dollar value. In all cases, any gift or business courtesy that may adversely impact the reputation of IAP are prohibited.

E. Insider Trading

Our suppliers and their personnel must not use material, non-publicly disclosed information obtained in the course of their business relationship with us as the basis for trading or for enabling others to trade in the securities of our company or those of any other company.
V. CONFLICT 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 provide notification to all affected parties in the event that an actual or potential conflict of interest arises.

This includes a conflict between the interests of our company and personal interests or those of close relatives, friends or associates.

VI. INFORMATION PROTECTION

A. Confidential/Proprietary Information

We expect our suppliers to properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g., advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner of the information.

B. Intellectual Property

We expect our suppliers to respect and comply with all the laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

C. Information Security

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. This also includes having the systems and processes in place that will safeguard and protect our sensitive information and inform us immediately if there is a release of our sensitive data. Suppliers shall assure extension of this requirement to all sub-tier sources they employ.
VII. ENVIRONMENT, HEALTH, AND SAFETY

We expect our suppliers 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 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.

We expect our suppliers to comply with all applicable environmental, health and safety laws, regulations, and directives. Suppliers should protect the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

VIII. GLOBAL TRADE COMPLIANCE

A. Security
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 United States Department of Homeland Security.

B. Import
We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

C. Export
We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data.

D. 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.

E. 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. Conflict minerals include cassiterite, columbite-tantalite, gold and wolframite, or their derivatives (tantalum, tin, and tungsten). Under the Securities Exchange Act of 1934, reporting companies that manufacture or contract to manufacture products that contain conflict minerals must conduct due diligence on the source and chain of custody of the applicable conflict minerals, and if a report with the SEC by May 31, 2014. We expect our suppliers to develop due diligence processes to meet our obligations to ensure that all products are responsibly manufactured.
IX. QUALITY

Suppliers must take due care to ensure their work product meets our company’s quality standards. We expect our suppliers to have in place quality assurance processes to identify defects and implement corrective actions, and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements.

A. Counterfeit Parts

We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.
X. ETHICS PROGRAM EXPECTATIONS

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 Code

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 violation 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.

C. Ethics Policies

Commensurate with the size and nature of their business, we expect our suppliers to have management systems in place to support compliance with laws, regulations, and the expectations related to or addressed expressly within this Supplier Code of Conduct. We encourage our suppliers to implement their own written code of conduct and to flow down the principles of a code of conduct to the entities that furnish them with goods and services.

D. Confidential Reporting

If you have a concern or wish to report a violation of the Supplier Code of Contact, contact the IAP Ethics Hotline by visiting: https://www.iapws.ethicspoint.com

You may also make a confidential, anonymous report by telephone from within the U.S., Canada, Puerto Rico and Guam, by calling IAP’s 24-hour Company Ethics Hotline toll free at 1-877-296-8010. From all other international locations, please select the country you are calling from in the dropdown menu located on IAP’s EthicsPoint website to access the applicable instructions and telephone number.

To make a confidential, anonymous report by U.S. Mail, send letter to: IAP Worldwide Services, Inc., Attn: Ethics and Compliance Department, 7315 North Atlantic Avenue, Cape Canaveral, Florida 32920-1631.

If you contact IAP’s Ethics Hotline, you can expect:

• To have your concern taken seriously
• To have your complaint kept confidential to the greatest extent possible, whether your report is anonymous or not
• To be informed of the outcome, even if your concern cannot be resolved at the time
• To remain anonymous if you choose