



**Day&Zimmermann**

*We do what we say.®*

September 2017

Dear Valued Supplier:

Your company plays an important role in Day & Zimmermann's business accomplishments. Over the last year, your company has supported one of the following Day & Zimmermann businesses:

- **Day & Zimmermann Engineering, Construction & Maintenance:** One of the nation's leading providers of total plant lifecycle solutions for the power, process and industrial markets.
- **Day & Zimmermann Government Services:** An integrated provider of global security, critical infrastructure solutions, and architecture and engineering services to the U.S. Government and commercial clients. Government Services includes SOC LLC and Mason & Hanger.
- **Day & Zimmermann Munitions and Government:** One of the country's leading munitions contractors of manufacturing, storing and demilitarizing a wide variety of ammunition products and providing related services to customers in the U.S. Government and approved foreign countries. Munitions includes American Ordnance and Lone Star.
- **Yoh Services LLC:** Offers a wide array of contingent workforce services including temporary staffing and direct placement services, 1099 audit and control, SOW classification, contingent payroll, recruitment process outsourcing (RPO), and the Yoh Exchange. Yoh Services includes Starpoint Solutions LLC and Embedded Resource Group, Inc. DBA ERG.

Day & Zimmermann draws strength from our values, making them part of everything we do. They capture the essence of what our company stands for: safety, diversity, integrity and success. Day & Zimmermann is committed to conducting business with integrity and within the law. This is a commitment that we require of all of our suppliers and it is a condition of doing business with us. We are confident that our suppliers share the same strong foundational values.

As a long-time member of the Defense Industry Initiative on Business Ethics and Conduct (DII), Day & Zimmermann joins other defense companies who are committed to conducting business affairs at the highest ethical level and in full compliance with the law. Through regular meetings and conferences, members share information and best practices on the latest issues in ethics and compliance, as well as provide training on how to comply with contracting laws both at home and abroad.

In this annual ethics letter release to our suppliers, Day & Zimmermann would like to introduce you to the [DII Model Supplier Code of Conduct](#), inclusive of our associated one-page addendum. This document officially replaces our former "*Ethics Standards and Guidelines for Supplier Personnel*". The

goal of Day & Zimmermann standardizing on the DII Code is simple: it promotes inter-organizational ethics (e.g. each part of the supply chain affects others), while limiting the number of codes flowed to common suppliers in the defense industry.

We also include a one-page addendum as the last page to further express additional perspective on our core values.

Please remain aware that our employees may not solicit or receive any gifts, gratuities, hospitality or the like to influence their decisions regarding any business matter. They may never accept any such items or services that exceed a nominal value.

Our suppliers must comply with all 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. Our suppliers are expected to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements and the hiring of consultants and agents. As stated in our addendum, suppliers must avoid unfair competitive practices such as

- Attempting to control or monopolize markets
- Defaming or lying about a competitor's business, products or services
- Inducing a customer to fail to honor a contract with a competitor
- Intentionally misrepresenting or concealing information about its products and services, or making deceptive, misleading or false statements or claims about them that have no factual basis
- Industrial spying, or improperly accepting or using a competitor's trade secrets
- Bribing a customer's agents and employees

We invite all of our suppliers and their employees to read through the [DII Model Supplier Code of Conduct](#), inclusive of our associated one-page addendum. More information on Day & Zimmermann's values and strong commitment to integrity can be found on our Integrity [website](#) page.

If you have a concern about the conduct of any of our employees, we welcome calls to our toll-free helpline at 877-319-0270. Callers have the option to remain anonymous. You also have the option of reporting a [suspected violation online](#). For matters relating to contract interpretation and normal commercial matters, please refer questions to your Day & Zimmermann purchasing department contacts.

For ease, we are including a copy of the DII Model Supplier Code of Conduct and our one-page addendum with this letter.

Sincerely yours,

The Day & Zimmermann Group, Inc.

Corporate Supply Chain organization

DII

DEFENSE INDUSTRY INITIATIVE  
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## *Defense Industry Initiative* MODEL SUPPLIER CODE OF CONDUCT



As a member of the Defense Industry Initiative on Business Ethics and Conduct (DII), Day & Zimmermann (hereinafter “we”) is committed to upholding the highest standards in all of our business dealings. As a U.S. Government contractor, complying with laws and regulations, ensuring fair competition, protecting taxpayer resources and providing high-quality products and services for the men and women of the U.S. Armed Forces and their allies are fundamental to this commitment. This Supplier Code of Conduct expresses the expectations we hold for all of our suppliers, contractors, agents and subcontractor personnel, and thus pertains to all business relationships with our company.

## 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 maintain full compliance with all laws and regulations applicable to their business. 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

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 will be 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 government officials, 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 Payments

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 refrain from participating 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 offering 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.

### 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. 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 file 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.

As part of providing an avenue for employees to express concerns about suspected improper conduct, we expect suppliers to provide a hotline or other method where employees can raise issues confidentially and anonymously. If suppliers or their employees have questions or concerns associated with their business dealing with Day & Zimmermann, they may address them to their Day & Zimmermann contract representative or they may utilize our toll-free Ethics hotline: (877) 319-0270. Information can be provided anonymously. There will be no retribution or reprisals for good faith reports, even if unfounded. For further information, please visit our website at: <https://dayzim.alertline.com>.



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# Addendum

*In addition to the requirements stated in the DII Supplier Code of Conduct, Day & Zimmermann provides the following addendum, which identifies additional Code of Conduct requirements related to the performance of your work with our company.*

## Addendum to Section I. Compliance with Laws

### B. Procurement Integrity (new)

Both commercial and government procurements must rely on fair and equal competition. When involved in proposals, bids preparation or contract negotiations, our suppliers must ensure that all statements, communications and representations to prospective customers and suppliers are accurate and truthful.

If our suppliers are involved in U.S. Government procurement, the provisions of the Procurement Integrity Act apply. Our suppliers must not ask for or accept any unauthorized contractor bid, proposal information or source selection information that is not available to all competitors.

## Addendum to Section II. Human Rights

### Introduction (addition)

Day & Zimmermann promotes respect for human rights through our own actions and by abiding by the fundamental principles of human rights, such as those set forth in the United Nations Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, and the United Nations Guiding Principles on Business and Human Rights. We expect our suppliers to do the same.

## Addendum to Section III. Employment Practices

### C. Substance Abuse (addition)

We prohibit the unlawful use, sale, attempted sale, conveyance, distribution, manufacture, purchase, attempted purchase, possession, cultivation and/or transfer of drugs or inhalants, regardless of whether the individual is working on our premises or our customer's premises. "Illegal drugs" mean all drugs for which the use or possession is regulated or prohibited by federal, state or local law, and includes "medical marijuana" and prescription medication for which the individual does not have a valid prescription, or which is used in a manner inconsistent with the prescription.

We also strictly prohibit the use of alcohol while on the job, while working on our premises or our customer's premises, while operating a Day & Zimmermann-provided vehicle or customer-provided vehicle and/or while representing Day & Zimmermann in any way.

Our suppliers must also abide by customer and/or location-specific guidelines.

### D. Current and Former Government Employees (new)

We expect our suppliers to comply with the applicable federal, state or local law regarding the recruitment and hiring of any Government official. Many Government employees are subject to restrictions on who they may work for, when they may accept a private sector job, and what they may do in the private sector.

## Addendum to Section IV. Anti-Corruption

### C. Anti-Trust (addition)

We expect our suppliers to comply with applicable anti-trust laws prohibiting restrictive trade or unfair competition.

We expect our suppliers to avoid discussing competition-sensitive issues with a competitor.

Suppliers must avoid unfair competitive practices such as:

- Attempting to control or monopolize markets
- Defaming or lying about a competitor's business, products or services
- Inducing a customer to fail to honor a contract with a competitor
- Intentionally misrepresenting or concealing information about its products and services, or making deceptive, misleading or false statements or claims about them that have no factual basis
- Industrial spying, or improperly accepting or using a competitor's trade secrets
- Bribing a customer's agents and employees

## Addendum to Section V. Conflict of Interest

### A. Organizational Conflicts of Interest (new)

Suppliers must avoid and/or disclose to Day & Zimmermann any actual or potential Organizational Conflicts of Interest that may impact the work with the U.S. Government for which it has been engaged by Day & Zimmermann. Those Conflicts of Interest could include:

- Impaired Objectivity - The supplier has a financial interest that could be affected by its performance of the work (e.g., its role as a supplier would place it in the position of evaluating its own affiliate or competitor and therefore would impact its impartiality to Day & Zimmermann and our customers).
- Unequal Access to Information - As a result of work for the Government on unrelated contracts, the supplier has access to procurement-sensitive data furnished by the Government or others that would not be available to other competitors for the work.
- Biased Ground Rules - The supplier was involved in writing a specification that favors its own products.

## Addendum to Section VI. Information Protection

### A. Confidential/Proprietary Information (addition)

Our suppliers are expected to protect all sensitive, proprietary or otherwise protected information provided to them in the course of their dealings with Day & Zimmermann. We expect our suppliers to receive and retain all proprietary information of our company and of our customers using reasonable and appropriately secure protections.

## Addendum to Section VII. Environment, Health, and Safety (new)

Our suppliers must learn the safety risks and hazards involved in the performance of their job and minimize those risks by following sound safety practices. Workplace safety is a priority requirement in the performance of your Work under Day & Zimmermann.

## Addendum to Section IX. Quality

### B. Physical Property (new)

Our suppliers are personally responsible for customer-furnished property used in your business. Property must be properly handled, only by authorized personnel, and only for the purpose intended. Customer-furnished property may not be used for personal benefit, or sold, loaned, given away or otherwise disposed of without proper authorization.