



STANDARD FOR  
ETHICAL BUSINESS  
CONDUCT

## Integrity: Leading by Example

The NORDAM Group of companies operates in a highly competitive worldwide market. Our success is largely a result of our reputation as a supplier who can be trusted to perform in a reliable, predictable manner. This reputation must never be tarnished or brought into question. Our reputation has been created over the years in countless transactions by many loyal, dedicated stakeholders, but it can be destroyed in a single unethical or thoughtless act.

The NORDAM Group Flight Plan includes our Vision, our Mission, our Behaviors, and our Values. Our values are the guidelines we use to direct our efforts to obtain *the right results the right way*. These values reflect what we believe and how we will act in achieving our goals. Integrity is a cornerstone of our Corporate Values system and we define it as, *“We are an organization in which all stakeholders do what is right and do their best, with respect and care for each other.* The Integrity Value also drives an important Successful Behavior of our Company that is, *“We will conduct our business in a positive, professional, innovative manner with the highest standards of ethical business conduct.”*

NORDAM requires that all stakeholders behave ethically in all business transactions both inside and outside the Company. To this end, we developed the *Standard for Ethical Business Conduct*. It is required that each NORDAM Stakeholder be knowledgeable of, and comply with this Standard.

In all business activities, ask yourself these questions,

- Is the action legal?
- Does it comply with our values?
- Will it compromise product safety?
- Does the action taken conflict with the responsibilities you have at NORDAM?
- If it was described in the newspaper, would you or the Company be embarrassed?

If you know it is wrong, don't do it! If you're not sure, ask.

NORDAM leaders must set the example by living the values and fostering a culture in which applicable statutes, regulations, internal policies and ethical business practices are at the core of all business activities. How we behave defines our culture. Concerns about inappropriate conduct must be promptly addressed and this document will help you better understand how to do so.

We are continuing to follow our Flight Plan on our journey to Performance Excellence, and by living our values together, we will reach our destination. It is an honor to be your leader and chairman.

Ken Lackey  
Chairman

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# A Matter of Principle

## NORDAM Vision

To be the premier family-owned aerospace company in the industry.

## NORDAM Mission

Our families helping other families fly safely by providing high-quality products and services, delivered on time with best-in-class customer service.

## NORDAM Values

The **NORDAM Culture Compass** guides your workplace actions to reflect our cultural values as you strive for excellence.



- **FAMILY:** We foster a safe and healthy work environment to secure our future.
- **SERVICE:** We put people first, with hearts that give back.
- **LEADERSHIP:** We communicate clearly, we're accountable to meet our commitments and we do what we say we're going to do.
- **EXCELLENCE:** We follow the process to the Nth degree, relentlessly pursuing excellence, always learning, always improving.

And never lose sight of our shared goal: **We Fly Families Safely.**

## NORDAM Principles

We are an organization in which everyone tries to do his/her very best. NORDAM stakeholders expect to be treated with respect, honesty and integrity. The Golden Rule is at the heart of our treatment for each other, our customers and suppliers.

The commitments we make are extremely important. We dedicate ourselves each day to living up to these commitments.

- Stakeholders are committed to one another to provide the best possible products
- NORDAM is committed to providing customers with a quality product that is competitively priced and delivered per specification
- NORDAM is committed to providing Shareholders financial results
- NORDAM is committed to conducting business with the highest ethical standards

NORDAM shares risks and rewards

- Stakeholders share in the Company's success when we meet our financial targets
- NORDAM shares risks and rewards with customers as we generate supply savings and optimize operational efficiencies
- NORDAM shares business opportunities with select suppliers

## Certificate of Compliance

Annually, stakeholders will be required to certify that they are "aware of and are in compliance with" *NORDAM's Standard for Ethical Business Conduct*. This is referred to as the "certificate of compliance" process.

The certificate will also require that stakeholders list any violations or questionable activities they may have witnessed or heard about; or certify that they are not aware of any such activities.

All applicants will agree in writing, as a condition of employment, that upon employment, they will comply with the Standard.

New stakeholders will be provided with a copy of the "*Standard for Ethical Business Conduct*" manual.

Failure to comply with the Standard is cause for reprimand and, in appropriate cases, termination of employment and pursuit of legal remedies.

## Process for Reporting Ethical Concerns

NORDAM stakeholders are expected to

- Read and refer to this Standard; but should not expect this Standard to answer every ethical dilemma that may arise in the course of conducting business
- Follow the ethical standards set forth in this Standard
- Report, in a timely fashion, any possible violations of any of the ethical standards

## Raising Ethical Concerns

All Company personnel are required to report any known or suspected violation(s) or any attempts, offers or solicitations to violate any laws, regulations, or NORDAM policies or

procedures by any stakeholders or business partners.

To help stakeholders raise issues, obtain advice, and/or report problems, NORDAM has established the following basic procedure:

- First, direct your inquiry to your immediate supervisor, department head, general manager, or to the Human Resources Manager – they should be able to quickly resolve most inquiries
- If you need additional guidance because local management cannot address your issue or the matter is unclear or particularly sensitive (for example, the matter involves facility leaders), reports can be made directly to the VP of Ethics and Compliance "Compliance Officer," or anonymous and confidential reports can be made by calling the Helpline or by using the online report system, Alertline, operated by NAVEX Global, an independent third-party provider:

### NORDAM Ethics Helpline

| Country        | Toll-free Number |
|----------------|------------------|
| U.S.A          | 1-866-549-4983   |
| Mexico         | 01-855-677-5809  |
| Singapore      | 800-110-2072     |
| United Kingdom | 0808-234-6537    |

<https://NORDAM.alertline.com>

\*All Helpline numbers work from anywhere in the world and dial direct to NAVEX Global, our third-party service provider.

**NOTE:** NAVEX Global is available 24 hours a day/seven days a week, and has translation services available.

NAVEX Global is Safe Harbor Certified through the United States Department of Commerce as a hotline provider having security measures in place to address European (EU) initiatives and other global privacy directives.

NORDAM does not tolerate any form of retaliation, harassment or intimidation against a person who asks a question or reports suspected misconduct in good faith. Good faith does not mean that you have proof that a violation has occurred, only that you honestly believe your report to be true.

## **Resolving Ethical Concerns**

NORDAM will investigate all reports, to the extent that is reasonably possible, given the circumstances of the investigation. You should not investigate any potential violations; this is the responsibility of Ethics and Compliance "Compliance".

All reports and inquiries will be handled confidentially to the greatest extent possible. NORDAM will respond to anonymous calls to the confidential Helpline and to reports made via the online Alertline reporting system. The Helpline and Alertline are administrated by an external service provider, NAVEX Global.

If the results of an investigation validate there is a violation, the Company will determine the appropriate corrective action, which may include stakeholder discipline, termination and/or possible legal proceedings. Such actions may also be brought against individuals who willfully failed to report known violations.

## **Employment Practices**

### **Equal Employment Opportunity**

The diversity of NORDAM stakeholders represents a tremendous asset. The Company provides equal employment opportunities based on merit, experiences and other work related to criteria in all aspects of employment including:

- Benefits
- Compensation
- Conditions/privileges of employment
- Corrective Action

- Hiring
- Terminations
- Recruiting
- Social/recreation programs
- Transfers
- Educational Assistance
- Promotion

NORDAM prohibits discrimination, forced labor, and child labor. In all employment aspects, the Company provides equal employment opportunity to all stakeholders without regard to race, ethnicity, color, creed, religion, national origin, gender, age, disability, physical attributes, sexual orientation, genetic information, pregnancy or veteran status.

### **Workplace Harassment**

Respecting the rights of others in the workplace is a primary focus at NORDAM. There are certain behaviors that are not acceptable under any circumstances such as harassment and/or violence of any kind.

Workplace harassment is any unwelcome or unwanted conduct based on an individual's ethnicity, color, creed, religion, national origin, gender, age, disability, physical attributes, sexual orientation, genetic information, pregnancy or veteran status, or other illegal or inappropriate basis.

NORDAM does not tolerate inappropriate verbal, nonverbal or physical conduct by any Stakeholder because of another Stakeholder's gender, race, color, religion, age, ethnic or national origin, sexual orientation or disability.

NORDAM does not tolerate conduct which is of an intimate or sexual nature or which harasses, disrupts or interferes with another's work performance or which creates an intimidating, offensive, abusive or hostile work environment. Such conduct, when severe or pervasive enough to create an objectively hostile or abusive work

environment that a reasonable person would find hostile or abusive, is not only against NORDAM policy, but is also against the law.

Examples of Harassment can include:

- Unwelcome sexual advances
- Requests for sexual favors, and
- Other conduct of a sexual nature
- Shouting or screaming in anger
- Calling names
- Profanity directed at another person
- Threats and intimidation
- Teasing/ridicule
- Intentionally excluding a person from a group

Each of us is responsible for maintaining a harassment-free environment. Stakeholders may be held personally liable for engaging in or supporting acts of workplace harassment.

If you feel you are being harassed, immediately ask the offending person to stop. Let the person know the action is offensive and not welcomed. If you are not comfortable with the direct approach, or if it fails to solve the problem, immediately report the situation to your supervisor, Human Resources or other members of management. They should be able to quickly resolve most inquiries. If additional guidance is required, or if the matter is particularly sensitive (for example, a matter involving management), or if local representatives fail to address the problem, immediately contact Human Resources or Compliance.

Investigations of all reports of harassment will be conducted according to the NORDAM Policy PL-TNG-HR-01 "Employment." A copy of this policy is available through Human Resources or on NORDAM's internal home page, [NORDAM.net](http://NORDAM.net).

## **Drugs and Alcohol**

It is NORDAM's policy to maintain a work environment free from the effects of alcohol, drugs, and other intoxicating substances and help protect the safety, health and well-being of all stakeholders and other individuals in our workplace. All stakeholder and non-stakeholders will not report to work or be subject to duty while their ability to perform job duties is impaired due to on- or off-duty use of alcohol or drugs.

NORDAM will follow Department of Transportation (DOT)/ Federal Aviation Administration (FAA) regulations, as well as applicable federal, state and local laws as condition of employment.

The possession, consumption, purchase, sale or being under the influence of alcohol or illegal drugs, including drug paraphernalia, or any controlled substance is prohibited in the workplace and on company premises, property, or while operating any company owned or leased vehicles or equipment on or off-site. Any of the above offenses may result in immediate termination.

If alcohol is served at a Company-sponsored event or anywhere a stakeholder is representing NORDAM, the stakeholder is expected to behave respectfully and responsibly for their safety and the safety of others.

NORDAM will follow DOT/FAA regulations, as well as applicable federal, state and local laws related to alcohol and/or drug testing. For more information please visit NORDAM's policy on Substance Abuse – Alcohol and/or Drugs.

## **Employee Assistance Program**

NORDAM recognizes that the changing work force and family composition is such that lines between work and personal life are blurred. A Stakeholder's ability to work



may, at times, be affected by situations in his/her personal life.

Through the Employee Assistance Program (EAP), NORDAM offers assistance to all stakeholders by providing information, resources or programs to enable stakeholders to better understand and manage through any negative impact of life events. For **confidential** assistance, stakeholders are encouraged to contact the EAP.

**NOTE:** This specific program doesn't apply to International locations.

## **Environmental, Health and Safety**

It is NORDAM's policy to provide each Stakeholder with a safe and healthy workplace. Stakeholders must abide by all environmental, health and safety statutes, regulations and internal practices.

Everyone is responsible for taking the necessary precautions to protect themselves, co-stakeholders and the communities in which we do business.

Stakeholders are responsible for immediately reporting accidents and unsafe practices or conditions to their supervisors or other designated persons.

NORDAM is responsible for ensuring that appropriate, timely action will be taken to correct unsafe practices or conditions.

NORDAM is committed to minimizing any negative impact that our products, processes, and services could have on the environment.

NORDAM will comply with environmental laws and each facility is responsible for submitting accurate and timely environmental reports as required by statute, regulation or internal process. All business units are required to have an environmental plan, which must be updated annually.

All facilities will be subject to periodic Environmental, Health and Safety assessments to ensure compliance with applicable statutes, regulations and internal processes.

### **Question:**

*Last month, I tripped over an electrical cord and I fell against the wall. Since that time, my right shoulder area has remained bruised and swollen. I know I injured myself on the job, but we've been told that our Division is concerned about the costs of too many on-the-job injuries. What should I do?*

### **Answer:**

*Report your injury and the trip hazard. By reporting the hazard, you protect your co-workers from being injured.*

- (1) It is NORDAM's responsibility to report on-the-job injuries in a timely manner and to provide adequate medical care to employees who are injured on-the-job.*
- (2) When a Stakeholder seeks medical care immediately after an accident, lost time days and medical treatment costs can be controlled and limited by the early intervention.*

## **Product Safety and Regulatory Compliance**

The safety and quality of our products and services are essential to our customers, and are NORDAM's highest priority.

NORDAM has established and maintains quality systems in each division, which conform to Company requirements and are compliant with all applicable statutes, regulations and internal processes.

These quality systems, documented in Divisional Quality Manuals, outline authorities and responsibilities, policies and procedures, and the management review process, which includes reviewing quality audits and ensuring system effectiveness.

The management of each division is responsible for effectively communicating and training each Stakeholder on the relevant provisions of the quality system. Each Stakeholder is responsible and accountable for the quality of his or her

work, for implementing the relevant provisions of the quality system and for complying with policies and procedures.

Every Stakeholder is expected to be diligent in preventing, detecting and promptly reporting statutory violations or instances of non-conformance to specifications or procedures to their management as well as to the management representative in charge of the quality system.

Management will consider disciplinary actions up to and including dismissal for violations of quality system requirements. Every Stakeholder is personally liable for intentional violations of statutes.

Supervisors may be liable for violations committed by stakeholders under their supervision. Stakeholders should always refer to quality assurance materials, which are specific to each division.

**Question:**

*I have been working on a part that does not conform to the specification. My supervisor says that it won't hurt anything, and besides we need to get the part out on schedule. I don't want to cause problems, but the part doesn't meet the specification. What should I do?*

**Answer:**

*We will not compromise product quality or safety to meet a schedule. Document the nonconformity as required by your procedure, or inform your inspector or quality representative so he/she can document it. Once the nonconformity is in the quality system, it will be addressed per the applicable procedures for your division.*

## **Business Conduct and Practices**

Integrity is essential to NORDAM's success. Honesty, good judgment and adherence to applicable statutes, regulations and internal processes (including but not limited to policies, procedures and work instructions) are required in all of our business operations worldwide.

## **Business Records**

It is NORDAM's policy to maintain books and records that accurately and completely reflect the Company's transactions, which means recorded or performed within the acceptable tolerances of the policies, procedures, work instructions and other documented processes of the Company, free from material mistakes, errors and omissions.

NORDAM expects stakeholders to accurately and honestly record and report the following information in a timely manner including (but is not limited to):

- Time worked and time off from work
- Business expenses incurred, including expense reports
- Product test results
- Production data
- Compliance with specifications
- Receipt and shipment of goods and services
- All other business-related activities

Stakeholders should never:

- Falsify, omit, misstate, alter or conceal any information or otherwise misrepresent the facts on a Company record
- Encourage or allow anyone else to compromise the accuracy and integrity of our records

Stakeholders must promptly report an inaccuracy in a Company record, or a failure to follow internal control processes to their supervisor, department head, general manager, or to Compliance.

Stakeholders must use good judgment and common sense when preparing any Company document to ensure that it objectively and accurately reflects the facts of the situation.

As a matter of good housekeeping, Company documents should be retained only for the period of time specified in the applicable Company or business unit record-retention procedure.

## **Business Transactions**

Transactions must:

- Be recorded accurately and completely – false, incomplete, misleading, and/or unrecorded transactions in the Company books, records, or accounts are strictly prohibited
- Be transparent
- Include all supporting documentation to accurately describe the nature and purpose
- Follow NORDAM processes, policies, procedures, and work instructions
- Have appropriate approvals

## **Company Property and Confidential Information**

NORDAM provides stakeholders with the space, tools, processes and equipment required to adequately perform their jobs. In return, the Company expects stakeholders to respect and protect Company property entrusted to them from damage, theft, misuse, loss and unauthorized disclosure.

The use of Company property, such as office supplies, computers, phones, software applications, printers, production equipment and material, should be utilized only for the business objectives of the Company and should not be used for personal reasons to any significant extent.

Stakeholders who are issued laptop computers, mobile phones and other electronic devices are expected to take appropriate care to protect this equipment from damage and/or theft when not in use and when away from Company premises. If necessary to leave the equipment in an unattended vehicle for a period of time, the

equipment should be placed in a secure area such as a locked trunk or on the floorboard of the backseat within a locked vehicle and not left in plain sight.

NORDAM assets, including but not limited to computers, e-mail, electronic data, fax machines, telephones, wired and wireless networks and internet access, cameras, facilities, vehicles, equipment, inventory, funds, business relationships, the Company's reputation, confidential information, proprietary information and intellectual property may not be used for threats, insults, fraud, theft, pornography, personal economic benefit or for any purpose contrary to the Company's business interest. Assets may not be removed from Company facilities without prior written approval by a member of management.

Inappropriate and/or unauthorized use of the Company's assets is a violation of this *Standard*.

Stakeholders must:

- Use Company assets responsibly to ensure they are not misused or wasted
- Manage budgets, expenses, and other funds accurately
- Follow NORDAM travel and expense policies and procedures
- Never remove assets from company facilities without prior approval from management
- Never sell, loan, transfer, donate, use or dispose of NORDAM assets without prior approval from management
- Never install software on NORDAM computers, tablets, and mobile devices without prior written approval from IT

## Computer Equipment Information Systems

- Use of NORDAM computer equipment or systems to aid in any personal gain and/or advancement of an individual political, private or personal viewpoint are prohibited
- Use of NORDAM computer equipment or systems to solicit non-Company business is strictly prohibited
- Use of the Internet must not disrupt the operation of the Company network or the networks of other users and may not interfere with the productivity of any Stakeholder. Personal use of the Internet during work time is not allowed
- E-mail is Company property and should be used for business purposes only
- Use of NORDAM computer equipment or systems to share or distribute fraudulent, harassing, threatening, obscene or inappropriate material and/or messages is prohibited
- Messages or screen images with derogatory or inflammatory remarks about an individual's race, color, creed, age, sex, disability, religion, national origin, veteran status, physical attributes, or sexual preference may not be transmitted through the information system
- Use of the Internet for transmission of chain letters is prohibited

If you are the recipient of any prohibited transmissions, please report them to your supervisor immediately.

For more details, refer to NORDAM procedure - "Information Technology Security and Acceptable Use." This procedure is available through Human

Resources or the Company's internal home page.

### **Question:**

*I am a NORDAM Stakeholder with a laptop computer. Occasionally, it is necessary for me to bring my computer home over the weekend to do work for my job. Is it okay to use my computer outside of work for personal use?*

### **Answer:**

*It is okay to use your computer for personal use if approved by your supervisor and as long as it doesn't adversely affect your performance or cause the Company incremental expense to upgrade or modify your computer. Use of your computer to operate an after-hours second business would not be acceptable personal use.*

## Confidential Information

NORDAM's assets also include confidential information relating to the present or planned business of the Company, which has not been released publicly by authorized NORDAM representatives.

If confidential information is lost, stolen, or corrupted – the consequences can be significant. To keep information safe stakeholders must remember confidentiality, integrity and availability which include: keeping all non-public information protected from unauthorized access, using emails, computer and other devices safely, and ensuring that sensitive information is stored properly. Confidential information includes, but is not limited to:

- ✓ Computer programs, data, formulas and compositions
- ✓ Customer, stakeholder and supplier information
- ✓ Financial data
- ✓ Inventions
- ✓ Manufacturing processes, specifications, and techniques
- ✓ Marketing and sales programs
- ✓ Product designs
- ✓ Possible acquisition or divestiture activity

- ✓ Pricing and contracts
- ✓ Research and development information
- ✓ Trade secrets and know-how

All confidential information must be protected in accordance with the Company's policies and procedures for disclosure found on [NORDAM.net](http://NORDAM.net) under the Intellectual Property Management link. All stakeholders and visitors are prohibited from taking pictures while on the Company's premises unless prior permission has been given by management.

Stakeholders must not disclose NORDAM confidential information to anyone outside the Company (unless they legitimately need the information in order to work with NORDAM and have been properly authorized by NORDAM management to receive such information) and may only disclose such information inside the Company to those stakeholders who have a legitimate need to know. Stakeholders are obligated to hold in confidence, information NORDAM received on a confidential basis from other companies or individuals. These obligations continue even after employment with NORDAM ends.

Innovations and ideas concerning products or manufacturing processes may be eligible for patent, copyright, trademark or other trade secret protection. Unauthorized disclosures may jeopardize these valuable protections.

To protect confidential information:

- Be cautious discussing company business in public, such as in elevators, airplanes, restaurants and when using mobile phones
- Do not use a company laptop in a public setting to work on company matters if your screen can be viewed by others
- Never reveal your account password to others or allow use of your account

by others. This includes family and other household members when work is being done at home

- Do not allow anyone access to Company facilities without proper written authorization
- Refer to any questions from the media to the office of Corporate Responsibility
- Refer any outside questions that directly or indirectly request confidential information to your supervisor, Legal, or Compliance

Media tools such as social networking sites, blogs, etc. are subject to the same rules as any other communications regarding the Company and/or confidential information. Stakeholders must treat Company information as confidential unless the Company has publicly released the information.

## **Fraud and Similar Irregularities**

Company policy strictly prohibits fraudulent activity and establishes procedures to be followed concerning the recognition, reporting and investigation of suspected fraud. This also applies to the conduct of the Company's third-party business partners. Fraud includes, but is not limited to, such actions as (including knowingly allowing or directing another person in such actions):

- ✓ A dishonest or fraudulent act
- ✓ Falsification of NORDAM records or financial statements
- ✓ Stealing cash, inventory, product, or other assets
- ✓ Using Company funds to purchase equipment, supplies, or materials for personal benefit
- ✓ Authorizing or receiving payment for hours not worked or expenses not accrued and documented

- ✓ Submitting false or misleading requests for reimbursement
- ✓ Falsification or alteration of production records, test results, or time and attendance records
- ✓ Falsification or alteration of business expenses being submitted for reimbursement from the Company
- ✓ Embezzlement
- ✓ Forgery or alteration of negotiable instruments such as NORDAM checks and drafts
- ✓ Forgery of any type
- ✓ Misappropriation of NORDAM, stockholder, customer, partner or supplier assets
- ✓ Conversion to personal use of cash, securities, supplies or any other NORDAM asset
- ✓ Unauthorized handling or reporting of NORDAM transactions

Fraudulent activity includes actions committed by a Stakeholder or a third-party representative (i.e. agents, consultants and contractors) that injure suppliers and customers, as well as those that injure NORDAM and stakeholders.

The Company intends to pursue legal and criminal prosecution in all instances of fraud with the objective of fully recovering all misappropriated funds and punishing the offender.

Any Stakeholder or third-party representative who suspects that any fraudulent activity may have occurred is required to report such concern to the confidential helpline or the NORDAM Compliance Officer. Stakeholders should not investigate any potential violations, this is the responsibility of Compliance.

Such allegations, if proven to be factual, may lead to the dismissal of the stakeholder, the involvement of local law

enforcement and actions to recover Company losses.

## **Gifts and Hospitality**

Providing gifts and hospitality (meals, entertainment, and travel/lodging accommodations) are often considered a normal part of doing business and can foster goodwill with customers and suppliers. NORDAM allows for the offering and receipt of gifts and hospitality that are reasonable, modest-in-value, made in good faith, directly related to a legitimate business purpose in the promotion and demonstration of the Company's products or services, and do not affect an offeror or receiver's business judgment or create an actual or apparent conflict of interest (an improper advantage or an attempt to inappropriately influence business decisions.)

Business courtesies must be moderately scaled and clearly intended to create understanding and goodwill with business associates. For example, if tickets to a sporting or cultural event are offered then the person offering the tickets must plan to attend the event as well.

There are some cases where refusal of a valuable gift would cause embarrassment and hurt to the person offering it. This is particularly true when you are a guest in another country, and the gift is from that country and offered as part of a public occasion. In these situations, the best practice is usually to accept the gift on behalf of the Company and consult your manager or Compliance for guidance.

Travel, Gifts and Entertainment (TG&E) transactions must be properly recorded and reported in Company business records. Payments made via Company credit card must be properly accounted for via the Concur expense reporting process. Payments made via electronic transfer, check, or any other method must be properly accounted for per direction

provided by the Accounts Payable Group. TG&E offers given and received, where applicable per the TG&E procedure, must be recorded in the TG&E Register located on the Ethics and Compliance site on NORDAM.net. Stakeholders must ensure details of TG&E offered and received, along with details of the recipient/offering organization, are accurately and honestly documented in Company records. This includes TG&E provided to anyone by third-party representatives working on behalf of the Company.

It is the responsibility of the senior stakeholder in attendance to pay for any meals or entertainment.

Gifts can be provided only to the extent that they meet the criteria and approval requirements set forth in this Manual, the Anti-Corruption Manual and Policy and the TG&E procedure.

### **Offering, Giving and Accepting Gifts and Hospitality**

NORDAM stakeholders shall only offer, give, or accept gifts, gratuities, or entertainment or anything of value to/from customers, suppliers or potential customers or suppliers or their employees that are:

- Legal – Not in violation of any laws, regulations or Company policies/procedures
- Of nominal value and within policy limits (for both the giver and recipient)
- Not lavish, are reasonable, business appropriate and in good faith
- Infrequently given or received
- Transparent and documented
- Not cash or a cash equivalent
- Never given or accepted if something is expected in return or if it affects one's ability to make objective business decisions in the best interest of the NORDAM

- Consistent with customary business practices
- Not likely to be construed as a bribe, kickback or payoff
- Not currently, or soon to be, involved in or responsible for a competitive bid or contract negotiation
- Not "Adult" entertainment of any sort involving nudity, inappropriate companionship, or actions that would violate our commitment to dignity and respect

### **Foreign Officials and Government Officials**

Gifts to foreign officials and government officials are highly restricted due to anticorruption laws and other regulatory requirements. Stakeholders must have pre-approval from Compliance before offering, giving, or accepting gifts or anything of value to/from a foreign or government official.

Refer to Gifts and Entertainment in the Conflicts of Interest section for additional guidelines regarding gifts and entertainment.

### **Charitable Contributions**

NORDAM, as a responsible corporate citizen, may make donations of money or products to worthy causes (including fundraising campaigns). To remain an appropriate donation, the contribution should not be connected to any specific customer purchase or purchasing commitment.

In some circumstances, NORDAM may offer a gift as part of a public occasion. All charitable donations must be properly documented and approved by management and the Office of Corporate Responsibility as evidence that our Company is carrying out business fairly, honestly, openly, and without improper influence.

## Political Contributions

Stakeholders are prohibited from making payments, whether in cash or in kind, to political parties, party officials or political candidates for the purpose of obtaining, retaining, or directing business to a specific entity. In kind contributions include participation in political campaigns during paid working hours and use of administrative support, Company facilities, equipment, and supplies. Be aware that such activities may also be prohibited under local law.

## Government Agencies

NORDAM business with government agencies, representatives or officials will be conducted with honesty and integrity and must be in compliance with the strict letter and intent of applicable laws and regulations.

Special rules may apply when dealing with state or local officials and special rules do apply when dealing with federal government procurement officials and foreign or government officials as described in the Anti-corruption Compliance Program Manual.

## Conflicts of Interest

A conflict of interest can occur when our personal interests, activities, investments or relationships interfere or appear to interfere with our objectivity or ability to do what is best for the Company.

Our core values represent our commitment to our customers, stakeholders and communities. Therefore, we must avoid activities that create a potential, perceived or actual conflict of interest.

**NOTE:** Potential conflicts are not limited to just relationships with relatives or family members. Conflicts of interest may arise with anyone with whom you have a friendship or personal relationship.

Stakeholders have an obligation to disclose actual or suspected conflicts of interest they are involved in or are aware of as outlined in the Resolving Ethical Concerns section.

The most common situations that can lead to a Conflict of Interest are including but not limited to, the following:

## Stakeholder Activities

Stakeholders may not participate in any activities that could conflict with their responsibilities at NORDAM or that could interfere or appear to interfere with their ability to do their jobs or to make unbiased decisions on behalf of the Company. A conflict of interest may arise when stakeholders:

- Engage in personal interests or activities that compete with, or appear to compete with NORDAM's best interests
- Own or receive any personal or financial benefit from a supplier, customer or competitor or an organization that does or seeks to do business with NORDAM
- Have a financial interest a supplier, customer or competitor or an organization that does or seeks to do business with NORDAM in
- Provide services to or work for a supplier, customer or competitor or an organization that does or seeks to do business with NORDAM
- Let business decisions be influenced or appear to be influenced by personal or family interests or friendships
- Use company property, information, position or resources for personal benefit or the benefit of others. Such as:



- Directing business to a supplier that is owned or managed by a family member or close friend
- Receiving personal discounts, services, payments or other benefits from a supplier, customer or competitor that the public and/or other stakeholders do not receive

It is important for stakeholders to ask themselves, "If all the facts were known, would someone question my objectivity or my ability to make the right decision for the Company?"

## Family Members and Close Friends

Stakeholders can encounter a conflict of interest when doing business with or competing with organizations in which family members or close friends have an ownership or employment interest. Stakeholders should avoid situations where their judgement and decision making could be improperly influenced by family members or close friends. Stakeholders must not:

- Hire, supervise, promote or have direct or indirect line of reporting to a family member (including but not limited to, a spouse, domestic partner, parent, child, grandparent, grandchild, niece, nephew, stepchild, sibling, aunt, uncle, cousin, or in-law), a member of their household or a close friend
- Conduct business with or participate in the selection or management of a customer, supplier, competitor, or other organization in which a family member or a close friend have an ownership, employment, or other financial interest. Stakeholders must have specific written approval by the officer who leads their business unit prior to conducting business on

behalf of NORDAM with a family member or close friend

### Question:

*My sister's firm could provide NORDAM with a great product and I know she will do a good job. How do I help NORDAM, yet avoid a conflict of interest charge?*

### Answer:

*We can certainly benefit from using suppliers we know and trust, but any potential conflict should be handled through disclosure. If you are recommending your sister's firm to another NORDAM stakeholder, be sure to disclose your relationship with the firm's owner. If you normally have purchasing responsibility, do not make the final decision. Advise your supervisor of the family relationship and let him or her make the decision.*

## Ownership in Other Businesses

NORDAM stakeholders cannot own, directly or indirectly, a significant financial interest in any business entity that does or seeks to do business with, or is in competition with NORDAM, unless specific written approval has been granted in advance by the appropriate senior leaders.

As a guide, "a significant financial interest" is defined as ownership by a Stakeholder and/or family members of more than 1% of the outstanding securities/capital value of a corporation or that represents more than 5% of the total assets of the Stakeholder and/or family members.

## Outside Employment

A stakeholder's primary employment obligation is to NORDAM. Any outside activity, such as a second job or self-employment, must be kept completely separate from employment with NORDAM and must not:

- Interfere with their job responsibilities and performance
- Involve working for a supplier, customer or competitor
- Risk damaging the Company's business or reputation

- Involve using Company resources, including other stakeholders, customers, suppliers, Company name, influence, time, assets, facilities or materials
- Create any other conflict of interest

## **Gifts and Entertainment**

Stakeholders are prohibited from offering, giving or accepting inappropriate gifts and entertainment to anyone that are intended to influence or that appear to influence the judgement or actions of another person or organization. For additional guidelines, refer to the Gifts and Entertainment section of this manual, or in the Anti-Corruption Compliance Program Manual.

## **Third-Party Representatives**

### **(Agents, Consultants and Contractors)**

When it becomes necessary to engage the services of an individual or firm to consult for or represent NORDAM, special care must be taken to ensure that no conflicts of interest exist between the Company and the person or firm to be retained.

Third-party representatives of NORDAM must be reputable and qualified.

Whenever the Company intends to engage or retain a consultant, agent, contractor or other independent third-party representative in connection with any business being sought or transacted outside the United States, a review of the prospective representative in order to determine the reputation, beneficial ownership, professional capability and experience, financial standing and credibility of the prospective representative and the history of such prospective representative's compliance with applicable provisions of the FCPA, the UK Bribery Act, or similar applicable legislation in other countries shall be conducted. The specific information to be obtained in connection with such review

shall be specified, and the results of such review shall be reviewed and approved by the Compliance Officer and the General Counsel. Key information obtained shall be recorded in a written report or questionnaire which shall be certified as correct by the relevant prospective representative. When the Compliance Officer deems it appropriate or necessary, the review shall include a personal interview of the prospective representative by a designee of the Compliance Officer.

Agreements with the representatives, agents, consultants or contractors must be in writing.

Stakeholders shall not indirectly, through a third-party representative, do anything prohibited under NORDAM policy. Representatives are required to observe the same standards of conduct as NORDAM stakeholders when conducting business for NORDAM. Third-party representatives will be given this information as part of the NORDAM contract agreement. Stakeholders are required to report any unethical conduct or violation of a NORDAM policy by a third-party representative to the NORDAM Compliance Officer, by calling the confidential Helpline, or by using the online reporting system, Alertline.

## **Marketing Events and Sponsorships**

NORDAM supports marketing events and sponsorships that are deemed important for the purpose of promoting the Company and fostering business relationships. NORDAM marketing events and sponsorships focus on building long-term customer relationships by supporting a select number of events and activities that promotes NORDAM business strategies. This makes them different from charitable donations since their purpose is to obtain such a specific benefit.

Marketing events and sponsorship activities include: (where customer, supplier or other business partners are hosted or sponsored by NORDAM in order to promote Company goods and/or services)

- Stadium and Sporting Events, unless covered via another process and separate review which includes the Tulsa BOK Suite, Tulsa Driller's Stadium, and the Wales Millennium Stadium
- Golf, Fishing, or other similar tournaments
- Charitable benefit events for customer employee associations such as bike races, running, or walking events
- Trade or Road Shows, Summits
- Dinner/dance, Galas, Receptions
- Educational Scholarships and Work Placement Programs
- Other events/interests in which customers, suppliers or other business partners request NORDAM support, including door prizes of any type

While these events and sponsorships can be very beneficial in strengthening customer relations and fostering a positive corporate image, they can pose a concern if they give the appearance of seeking or obtaining an improper advantage. Therefore, all marketing events and sponsorships must be properly documented and approved by management and Compliance as evidence that our Company is carrying out business fairly, honestly and openly, and without improper influence. All marketing events and sponsorship requests must be submitted via the Marketing Events and Sponsorship Requests workflow located on NORDAM.net.

Stakeholders must notify Compliance when events or sponsorships result in gifts or prizes requested or when certain items are received (e.g. golf clubs, airfare, electronic media, etc.) as outlined in the Gifts and Hospitality section. Gifts that are

promotional, hospitality, or seasonal items and are no more than \$250 U.S. value may be retained for personal use. All other gifts must be recorded in the TG&E Register to facilitate a proper review and disposition by management and Compliance.

**NOTE:** Stakeholders are expected to exercise good judgment in contacting Compliance if the receipt of promotional, hospitality or seasonal gifts of no more than \$250 individually are received from the same source at a frequency that could give the appearance of the source requesting or expecting to secure an improper advantage in obtaining or retaining business.

**Stakeholders must notify Compliance when events or sponsorships may include the attendance of a foreign or government official.**

For additional information, refer to the Marketing Events and Sponsorship Requests policy and procedure.

## Marketing Practices and Antitrust

NORDAM products and services must be marketed and sold fairly and honestly on the basis of their quality, capabilities, price, service level and other legitimate attributes.

### Advertising, Sales and Packaging

We are responsible for truthfully conveying product and service attributes. We should not knowingly misstate facts or create misleading impressions in any advertising, packaging, literature or public statements. Knowingly omitting important facts or overemphasis of certain material may be misleading; the total impression of the message must be considered.

### Competitor's Information

In the highly competitive global economy, information about competitors, suppliers and customers is a valuable asset. While

we continually need to learn more about what our competitors are doing, we must observe legal standards and accepted ethical standards of fair conduct when obtaining this information. Stakeholders may not access or use former employers' or competitors' trade secrets, intellectual property or other confidential information not publicly available while employed at NORDAM.

## **Antitrust**

It is the policy of NORDAM to comply fully with the antitrust laws that apply to operations in the United States and throughout the world. The underlying principle behind these laws is clear: A person who purchases goods in the marketplace should be able to select from a variety of products at competitive prices unrestricted by artificial restraints, such as price fixing, illegal monopolies and cartels, boycotts and tie-ins.

We at NORDAM believe in these principles of free and competitive enterprise and are firmly committed to them.

## **Conducting International Business**

While NORDAM must adapt to business customs and market practices in global markets, all stakeholders worldwide will adhere to the laws and regulations of every jurisdiction where the Company does business. This includes the FCPA and UK Bribery Act as described below.

### **Anti-Corruption**

Corrupt arrangements with customers, suppliers, business partners, foreign or government officials, third parties, or anyone are strictly prohibited. Corruption may involve payments or the exchange of anything of value and includes, but is not limited to:

- Bribery

- Extortion
- Fraud
- Kickbacks
- Excessive entertainment

### **Anti-Bribery**

Bribery is unlawful in every jurisdiction in which NORDAM operates. NORDAM prohibits all forms of bribery to anyone.

Stakeholders should never offer, promise or give, directly or indirectly, any form of gift, cash, entertainment, business opportunities, discounts or anything of value to anyone to:

- Obtain or retain business
- Influence business decisions
- Secure an unfair advantage

### **Foreign Corrupt Practices Act**

All stakeholders, third-party representatives, distributors, and vendors of NORDAM and its international subsidiaries and divisions are subject to and will comply with the United States Foreign Corrupt Practices Act (FCPA). The FCPA makes it unlawful for any US citizen or entity (or any person or third-party representative who acts on behalf of a US citizen or entity) to provide improper benefit to a foreign official, as defined by the FCPA, for the purpose of obtaining or retaining business.

It is also unlawful for a US citizen or entity to provide a similar benefit via a third-party representative if the US citizen or entity knows, or has reason to know, that the third party will provide improper benefit to a foreign official as defined by the FCPA. For purposes of the FCPA, the term "knowledge" means both "actual knowledge"- the individual or entity in fact knew that the offer, payment, or transfer was included in the transaction and "implied knowledge"- the individual or entity should have known from the facts and circumstances of a transaction that the

third-party representative paid or will pay a bribe, but failed to carry out a reasonable investigation into the transaction.

NORDAM prohibits payments made to facilitate routine government action (facilitation payments). When a NORDAM stakeholder is uncertain about whether a payment is allowed by the policies and procedures of this Company, he or she should inquire with the Compliance Officer prior to making the payment in question. Please refer to the NORDAM Anti-Corruption Compliance Program Manual (the "Manual") on [NORDAM.net](http://NORDAM.net) for more detailed information.

### **UK Bribery Act**

All stakeholders, third-party representatives, distributors and vendors of NORDAM and its international subsidiaries and divisions are subject to and will comply with the UK Bribery Act. The UK Bribery Act makes it illegal to make or accept a bribe, under any circumstances, whether to a private individual or public official. The Act applies to UK citizens, residents and companies established under UK law. In addition, non-UK companies can be held liable for a failure to prevent bribery if they do business in the UK. Please refer to the Anti-Corruption Compliance Program Manual for more detailed information.

Stakeholders who become aware of any violation of a law, requirement, or NORDAM policy or procedure are required to immediately report the violation to the confidential helpline or the NORDAM Compliance Officer. Violations of the Anti-Corruption Compliance Program Manual will subject stakeholders to personnel action including potential termination.

### **International Trade Controls**

As a global Company, NORDAM transfers goods, services and technologies across national borders. Our business transactions are subject to various trade controls and

laws that regulate export and import, including:

- Government-imposed economic sanctions and boycotts
- Anti-boycott laws that prohibit companies from participating in or cooperating with an international boycott that is not approved or sanctioned the by U.S. government

### **Export Control Laws**

(Internally enforced by management of each division)

NORDAM's leadership position in the global aerospace industry results in our expanding international presence. All Stakeholders, third-party representatives, distributors and vendors of NORDAM and its international subsidiaries and divisions must be diligent in complying with the letter and the spirit of United States export control laws including International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR).

United States regulations apply to both products and "technical data." Products include those manufactured in the United States, those containing United States parts, and those manufactured in countries outside of the United States based on United States technology. Technical data may include blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, and manuals and instructions, whether written or recorded on a computer drive, thumb drive, disk, tape, or any other form of electronic storage. Disclosing *technical* data to a foreign national in the United States is deemed to be an export to the foreign national's country and could result in violation of the export control laws.

Such simple acts as sending an email, a facsimile or allowing a foreign national to tour and observe some manufacturing processes could form the basis for a violation of export control laws.

The export controls of the United States include restrictions on the countries, persons, and entities with which we can or cannot trade and may require that licenses be obtained from appropriate governmental authorities before shipment.

Exports may also be subject to control, based on the Commerce Control List classification of the items concerned, or based on the end user or end use of the items. Such restrictions apply to both sales and humanitarian gifts. Shipments to any entity outside restricted countries are also prohibited if you know, or have reason to know, that such an entity intends to re-export NORDAM goods to one or more of those countries, or to a prohibited end user or end use. For more information, please refer to the "*PL-TNG-EC-04 Global Trade Compliance*" policy found on [NORDAM.net](http://NORDAM.net).

## **Imports**

NORDAM will comply with import regulations, including entry procedures, import documentation, and recordkeeping requirements, tariff classifications, special duty programs, prohibitions or restrictions on imports from certain countries, etc.

## **International Boycotts**

All NORDAM stakeholders and third-party representatives worldwide must comply with the spirit and letter of United States laws and actions of the United Nations pertaining to activities associated with prohibited foreign economic boycotts.

United States anti-boycott law is intended to prevent businesses from taking any action in support of a boycott imposed by a foreign country upon a country, which is friendly to the United States.

The law also requires that requests for information supportive of a boycott be reported to the United States government.

Any such requests should be immediately directed to Corporate Counsel for appropriate reporting requirements and procedures.

## **Human Trafficking and Slavery**

NORDAM is committed to complying with all applicable laws and regulations prohibiting human trafficking and slavery and NORDAM's expectation is that its stakeholders, suppliers, subcontractors, consultants, contractors, agents and other third-party representatives shall also comply with all applicable laws prohibiting such exploitation.



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