

Elbit Systems of Australia Pty Ltd Supplier Code of Conduct

To Our Supply Chain,

Elbit Systems of Australia Pty Ltd ("ELSA" or the "Company") is committed to best practices regarding integrity in business conduct, including in our dealings with our suppliers, contractors and consultants. Our commitment to operating according to ethical standards is an important factor in enabling us to meet our business goals and the demands of today's marketplace.

A reliable and ethical supply chain is critical for our ability to support our and our customers' goals. Integrity, safety and quality are fundamental to our performance, and we encourage a collaborative environment with our supply chain in these areas. Our customers rely on us to work with suppliers, subcontractors and other business partners who share these values.

To support the business integrity of our activities, we require that members of our supply chain endorse our values relating to the range of areas set out in this Supplier Code of Conduct (the "Code"). The principles set out in the Code represent a fundamental part of our mutual commitment on how we do business and are integral to every relationship you have with us. The Code is also consistent with the principles set out in the Supplier Code of Conduct endorsed by the International Forum on Business Ethical Conduct of the U.S. and European aerospace and defence industries.

Thank you for doing your part in helping us maintain a leading standard of business integrity.

A handwritten signature in blue ink, appearing to read 'Paul McLachlan'.

Paul McLachlan AO, CSC
Managing Director
Elbit Systems of Australia Pty Ltd
25 January 2021

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Summary
<p>The purpose of this document is to facilitate our suppliers’ commitment to ethical and compliant business conduct.</p>

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1 INTRODUCTION

1.1 Purpose

1.1.1 Welcome to ELSA's Supplier Code of Conduct ("Code"). Conducting our business honestly, ethically and properly is critical to the Company's continued success. The purpose of this Code is to facilitate our suppliers', subcontractors' and consultants' (collectively "Supply Chain") commitment to ethical and compliant business conduct.

1.1.2 In addition to the specific provisions of the Code and any other Company policies, procedures or contractual obligations we may ask you to follow, we expect members of our Supply Chain to conduct their business activities ethically and in compliance with all applicable laws and regulations. This Code is intended to promote a culture that complies with not only the letter, but also the spirit, of all applicable laws, rules and regulations and related Company policies and procedures.

1.1.3 This Code incorporates best practice supply chain compliance principles and is based upon the Company's Code of Business Conduct and Ethics and our Anti-Bribery and Corruption Compliance Procedure, each of which is available for review on our website, www.elbitsystems.com.au.

1.2 Variations

1.2.1 This Code will be reviewed regularly. ELSA reserves the right to vary or replace the Code from time to time.

2 CONDUCTING YOUR BUSINESS

The Company's reputation is based on delivering systems and products that create value for our customers, and, protect and save lives. In order to maintain this reputation, we strive for excellence in all that we do, including conducting ourselves according to leading ethical standards. We expect our Supply Chain to follow similar standards.

You should refer to this Code's principles when ethical and compliance issues arise. Each of the principles in this Code is fundamental to how we do business.

The Company relies on our Supply Chain to choose sub-tier subcontractors and suppliers that share the values included in the Code. It is important that everyone working on your behalf for us; conduct business in the manner prescribed by the Code.

By entering into any subcontract or purchase order with the Company, you are committing to conducting your activities in a manner consistent with this Code. Accordingly, all of your business activities relating to work with the Company must be performed in a manner that is fair, ethical and compliant with this Code and applicable laws and regulations.

While the Code contains standards to be followed, no one document can cover all situations. If, for whatever reasons, following the Code would conflict with a legal requirement, you must comply with the law.

2.1 Compliance with Laws

2.1.1 You must comply with all applicable Australian laws and regulations and all laws and regulations of the countries in which operations are managed or services provided.

3 HUMAN RIGHTS

You are expected 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, in accordance with the relevant International Labour Organisation (ILO) Conventions.

3.1 Child Labour

You must ensure that child labour 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, provided that the legal age is consistent with the minimum working ages defined by the ILO.

3.2 Human Trafficking, including Forced or Indentured Labour

3.2.1 You must adhere to regulations prohibiting human trafficking and comply with all applicable local laws in the country or countries in which you operate. This includes refraining from violating the rights of others. We require that our Supply Chain complies with the *Modern Slavery Act 2018* ("Act") and you are expected to address any adverse human rights impacts of your operations. You agree to provide reasonable assistance to us on request, if required for the purposes of preparing a statement under the Act.

4 EMPLOYMENT PRACTICES

4.1 Harassment

4.1.1 You are expected to ensure that your employees are afforded a safe employment environment that is free from physical, psychological and verbal harassment, or other abusive conduct.

4.2 Non-discrimination

4.2.1 You are expected to provide equal employment opportunity to employees and applicants for employment without discrimination, consistent with all applicable laws and regulations.

4.3 Wages and Benefits

4.3.1 You must pay workers at least the minimum wage required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required or, in those countries where such laws do not exist, at least equal to their usual hourly payment rate. Deduction from wages as a disciplinary measure must not be permitted.

4.4 Free Association

4.4.1 You are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. You are also expected to recognise and respect any rights of workers to exercise lawful rights of free association with any labour association of their choosing.

5 ANTI-CORRUPTION

5.1 Anti-Corruption Laws and Regulations

5.1.1 You must comply with the anti-corruption laws, directives and regulations that govern operations in the countries in which you do business. When working with us this includes compliance with the U.S. Foreign Corrupt Practices Act, among other laws and regulations.

5.2 Zero Tolerance Policy

5.2.1 The Company has a “zero tolerance” policy against corruption, whether done directly by Company employees or indirectly through our Supply Chain. For further information, see the Company’s Anti-Bribery and Corruption Compliance Procedure, which is available on our website www.elbitsystems.com.au.

5.3 Illegal and Improper Payments or Benefits

5.3.1 Doing business the right way means never providing or receiving anything of value to obtain a business advantage or favourable treatment or exert undue influence, including offering, giving, asking for or taking any form of bribe or kickback. This prohibition extends to payments and gifts of cash or in kind, made directly or through others. You must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. 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 break local law.

5.4 Due Diligence

5.4.1 You are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements and the hiring of intermediaries such as agents or consultants.

5.5 Gifts/Business Courtesies

5.5.1 The Company and our Supply Chain must compete solely on the merits of our products and services. You must not try to influence a customer's decision to purchase from us or to otherwise gain an unfair competitive advantage by offering gifts, meals, travel expenses, entertainment or other business courtesies that exceed acceptable levels. Government agencies and companies have rules and regulations prohibiting their employees' acceptance of items of value from contractors or suppliers. In any business relationship, you must ensure that: (i) the offering or receipt of any gift or business courtesy is permitted by law and regulation, and (ii) these exchanges do not violate the rules and standards of the recipient's organisation and are consistent with reasonable marketplace customs and practices. Although standard give-away items of a nominal value may be provided or accepted in appropriate situations, cash and cash equivalents (such as gift cards) are prohibited. For further information see the Company's Business Entertainment and Gifts Policy, which is available on our website www.elbitsystems.com.au.

5.6 Offers of Employment

5.6.1 Offers of employment to employees or representatives of our customers or end users, or their close relatives, could be viewed as an attempt to improperly influence decisions relating to our programs. Therefore, you should exercise caution in hiring activities in order to avoid the possibility of undue influence.

5.7 Fraud and Deception

5.7.1 You must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the Company, a customer or any third party, and any kind of misappropriation of property.

5.8 Competition and Anti-Trust

5.8.1 We compete, but fairly and within the law. As such, where you support us in doing business, you must comply with applicable competition laws (sometimes called "antitrust laws") of all applicable countries. These laws prohibit formal or informal understandings, agreements or arrangements among competitors that unfairly restrict competition. You must not fix prices, rig bids with your competitors or participate in a cartel. This includes a prohibition on exchanging current, recent or future pricing information with competitors.

5.9 Insider Trading

5.9.1 You and your personnel must not use any material or non-publicly disclosed information obtained in the course of your business relationship with the Company as the basis for trading or for enabling others to trade in the stock or securities of any company. In addition, recognising that the shares of the Company's parent company are publicly traded, you are required to comply with all insider trading rules relating to any business dealings with us.

5.10 Conflicts of Interest

5.10.1 You are expected to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest and 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 the Company and your or your employees' personal interests or the interests of your employees' close relatives, friends or associates.

5.11 Maintain Accurate Records

5.11.1 You are expected to keep appropriate records to demonstrate compliance with this Code, as well as all applicable laws and regulations. This includes creating accurate records and not altering any record entry to conceal or misrepresent the underlying transaction represented by such records. Regardless of format, all records made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. Records should be retained based on applicable document retention requirements.

6 INFORMATION PROTECTION

6.1 Protection of Confidential Information

6.1.1 The Company is committed to ensuring our intellectual property rights and those of our customers and business partners are protected to the full extent of the law and our contractual commitments. You must comply with all the applicable laws and contractual requirements governing intellectual property rights assertions, including protection against disclosure, patents, copyrights and trademarks. We also require appropriate security measures to protect classified and other confidential information. When working with the Company, you must take necessary steps to protect and safeguard intellectual property rights and confidential information, including the following:

- a. 'Proprietary Information' includes trade secrets, patents, trademarks, copyrights, business, marketing, financial, human resources, technical and administrative information not released to the public. You must safeguard proprietary information of, or provided by, the Company. It cannot be shared with a third party without the Company's express written permission.
- b. 'Classified Information' includes data and items that for reasons of national security must be safeguarded and maintained in accordance with applicable laws and regulations in support of a government program. To receive this information your facility must possess the appropriate government-approved security clearance. It is important to remember that release of classified information to unauthorised persons will harm national security and can lead to substantial penalties for those involved in the breach of security.

6.2 Use of Confidential Information

6.2.1 You will properly handle confidential information, including classified, proprietary and personal information. Such information must 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 authorisation from the owner of the information. Unauthorised use or distribution of Proprietary Information or Classified Information through any means, including social media, is a breach of this Code. It may also break applicable law, as well as regulatory and contractual requirements.

6.3 Information Security

6.3.1 You must comply with the *Privacy Act 1988* (Cth) and any other applicable data privacy laws and must protect the confidential and proprietary information of others, including personal information, from unauthorised access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. You are required to take the necessary information security measures, for both computer systems and portable electronic devices, to protect against malware and unauthorised disclosure of any proprietary information and other program-related information provided by the Company. If there is a suspicion that a possible data security breach has occurred, it is critical that such circumstance be immediately reported to the Company.

6.4 Social Media

6.4.1 You must not, without the prior written consent of the Company, discuss or disclose on social media information relating to the Company or your activities with the Company.

6.5 Marketing Materials and Interactions with the Media

6.5.1 The Company controls the release of any marketing materials, press releases or media interviews that include a reference to the Company, our affiliated companies, our customers, our end users or our cooperative activities with you. Any such release requires advance approval by the Company.

7 ENVIRONMENT, HEALTH AND SAFETY

7.1 Environment, Health and Safety Management

7.1.1 You must maintain a safe workplace and comply with all applicable environmental, workplace health and safety laws and regulations. You are required to establish an appropriate management system for environmental, health and safety compliance.

7.2 Conservation of Natural Resources

7.2.1 You are expected to take all reasonable steps so as to operate in a manner that actively manages risk, conserves natural resources and protects the environment in the communities within which you operate.

7.3 Protection of Employee Health and Safety

7.3.1 You must protect the health, safety and welfare of your employees, contractors, visitors and others who may be affected by your activities.

7.4 Global Trade Compliance

7.4.1 You must ensure that your business practices are in accordance with all applicable laws, directives and regulations governing the import and export of parts, components and technical data. You will provide prompt, truthful and accurate information relating to import and export authorisation processes, and, obtain import and export licenses, and/or approvals where necessary.

7.5 Responsible Sourcing of Minerals

7.5.1 You must comply with applicable laws and regulations regarding "Conflict Minerals", which include tin, tungsten, tantalum and gold. Additionally, you should establish a policy to reasonably assure that the tin, tungsten, tantalum and gold, which may be contained in the products you manufacture, do not directly or indirectly finance or benefit armed groups and/or perpetrators of serious human rights abuses. You should exercise, as may be directed by law or industry practice, due diligence on the source and chain of custody of these minerals and require the same from your next-tier suppliers.

7.6 Counterfeit Parts

7.6.1 You must develop, implement and maintain effective methods and processes appropriate to your products to minimise the risk of introducing counterfeit parts and materials into products to be delivered to us. In addition, you will provide notification to recipients of any counterfeit products promptly upon the matter coming to your attention, and exclude them from the delivered product.

8 GOVERNMENT PROCUREMENT

8.1 Compliance with Government Contracting Regulations

8.1.1 Governments are the largest user of the Company's goods and services, so it is crucial that you comply with the laws and regulations relating to government contracting in Australia and any other country in which you are supporting our projects.

8.2 Source Selection Information

8.2.1 In working with the Company in any government procurement process, you will not improperly obtain, use or disclose government source selection or proprietary information. You will not ask officials to disclose the proprietary information of our competitors, nor will you improperly ask for source selection material - the material the government has developed to evaluate competing bids. In addition, you will take precautions not to share any of our proprietary information or other program-related information without our permission.

8.3 Lobbying

8.3.1 You are not authorised, directly or through others, to engage in lobbying activities designed to influence government policies, or the award or administration of government contracts, on our behalf or on behalf of our projects, without the Company's prior written approval.

9 ETHICS PROGRAM EXPECTATIONS

9.1 Whistleblower Protection and Non-Retaliation

9.1.1 You must comply with all applicable whistleblowing legislation. In that regard, you are expected to provide your employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. You are also expected to take action to prevent, detect and correct any retaliatory actions. Company policy prohibits retaliation against any person making an effort to report possible violations of the principles in this Code.

9.2 Consequences for Violating the Code

9.2.1 In the event that the expectations of this Code are not met, the business relationship may be reviewed and corrective action pursued subject to the terms of the related procurement contracts.

9.3 Ethics Policies

9.3.1 Commensurate with the size and nature of your business, you are expected to establish management systems to support compliance with laws and regulations, as well as the expectations expressed within this Code. You are encouraged to implement your own written code of conduct and to flow down those principles to the entities that furnish you with goods and services. We expect you to maintain effective programs to encourage your employees to make ethical, values-driven choices in your business dealings - beyond compliance with laws, regulations and contract requirements.

10 REPORTING CONCERNS

10.1 Self-Monitoring and Reporting

10.1.1 You are expected to self-monitor your compliance with this Code and promptly report to the Company any integrity concern involving or affecting the Company, whether or not the concern involves your company. Where requested, you are expected to assist the Company in investigating concerns.

10.2 Reporting Point of Contact

10.2.1 Prompt reporting is crucial. Concerns may be raised by contacting the Company's General Counsel by email at: compliance@elbitsystems.com.au.

10.3 Co-Operation with Audit

10.3.1 We reserve the right to periodically review your business practices and applicable records to ensure compliance with this Code. You are expected to comply with our reasonable inquiries related to your work for the Company and cooperate with audits and investigations.