

SUPPLIER CODE OF CONDUCT

Introduction:

At Fairbanks Morse Defense (“FMD”), we deliver trusted power and marine solutions for our military to ensure mission critical performance to improve people’s lives and make the world a better, safer place. We’ve been creating innovative power solutions for over 125 years and continues to expand our products offerings to Power the World Forward. Our success is guided by our core values – Integrity, Velocity, and Teamwork. We expect our Suppliers to share our mission and embrace our values.

This Supplier Code of Conduct outlines our expectations for our Suppliers. Suppliers are also expected to comply with all applicable laws and regulations where they conduct business. If federal or local laws or regulations create additional or more restrictive requirements of FMD Suppliers, those local laws or regulations take precedence over this Supplier Code of Conduct (“Code”).

For the purposes of this Code, “Supplier” is defined as any third-party supplier, contractor, subcontractor, consultant, agent, or representative that sells or seeks to sell any good or service to our company, its affiliates, or its subsidiaries, whether directly or indirectly.

Labor Conditions:

Child Labor: Suppliers will not engage in illegal child labor practices. The definition of “child” may be governed by local law where the work is being performed, but the definition must be consistent with the working ages defined by International Labour Organization.

Forced Labor: Suppliers will not participate in forced labor such as debt-labor, prison labor, indentured labor, or any other involuntary or forced labor practices.

Fair Wages and Benefits: Suppliers will pay workers at least the minimum wage required by applicable laws and Suppliers will provide workers with all legally mandated

benefits. Examples of benefits include paid holidays or leaves as well as any legally applicable overtime wages.

Subcontractors: Suppliers are responsible for disclosing all subcontractors to FMD. All subcontractors will adhere to this Code and it is the Supplier's responsibility to ensure its subcontractor's compliance with this Code.

Discrimination: FMD celebrates and encourages diversity and expects the same from Suppliers. In the spirit of diversity, Suppliers will provide equal opportunities 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.

Harassment: Suppliers will create a working environment for their employees that is free of physical, psychological, sexual, and verbal harassment or other abuse.

Freedom of Association: Suppliers will acknowledge and respect the right of workers to organize or otherwise associate freely for purposes of collective bargaining.

Anti-Corruption:

In General: Suppliers will comply with all anti-corruption laws and regulations governing operations in the counties in which they conduct business.

Improper payments, bribes, or gifts: Suppliers will not participate in any improper payments, bribes, or gifts to customers, government officials, persons affiliated with a political party, office, or campaign, or any other business-related party that could be construed to improperly influence business decisions.

Anti-Trust: Suppliers will not commit or conspire to commit price fixing, bid riggings, exchanging of pricing information, or any other activity that could be perceived to violate applicable anti-trust laws.

Anti-Money Laundering and Financing Terrorism: Suppliers will comply with all laws and regulations relating to anti-money laundering. Suppliers are expected to proactively manage the prevention and detection of money laundering and financing of terrorism.

Global Trade Compliance:

Import: Suppliers will ensure that their operations are compliant with all applicable laws and regulations governing the import of parts, components, and technical data.

Export: Suppliers will ensure that their operations are compliant with all applicable laws and regulations governing the export of parts, components, and technical data. Suppliers are responsible for obtaining all necessary licenses and consents.

Restricted Parties/Sanctions: Suppliers will ensure that they are not directly or indirectly providing to FMD any material or service from a country, person or entity that is subject to U.S. and other regional, unilateral, and multilateral regulations that restrict transactions with specific foreign entities, persons or countries (often referred to as denied, debarred, and/or restricted parties).

Responsible Sourcing of Materials: Suppliers will take all reasonable efforts to assure that the products they manufacture or are contracted to manufacture do not contain Conflict Minerals within the meaning of Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act.

Other; General:

Intellectual Property Rights: Suppliers will respect, acknowledge, and comply with all laws governing and protecting use, disclosure, and assertion of the intellectual property rights of FMD as well as other entities. These rights include, but are not limited to, patent, copyright, and trademark rights.

Conflicts of Interest: If a conflict of interest exists or could be perceived as existing, Supplier will immediately inform FMD of such conflict or potential conflict of interest as soon as reasonably possible.

Conflict with Existing Agreements: If this Code conflicts with or is silent on matters already covered in existing agreements, the existing agreement will govern unless otherwise specified in writing.

Contractual Right to Terminate: FMD reserves the right to terminate our relationship with any Supplier that violates any material aspect of this Conduct.

Right to Alter: FMD reserves the right to alter this Supplier Code of Conduct from time to time without providing notice of changes.

Internal Hotline: FMD employees are encouraged to call the Anonymous Reporting Hotline at (833) 222-0092 with information on violations or potential violations of this Code.

Internal Electronic Reporting: Individuals with access to the FMD intranet can access the online confidential reporting tool located at https://www.lighthouse-services.com/_StandardCustomURL/LHIReportingPage.asp where reports of abuse of this Code can be made anonymously.

FMD Contacts for this Code:

FOR SUPPLIERS: See your FMD contact.

For FMD Employees:

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