

Doing Business With

GENERAL DYNAMICS NETWORK SYSTEMS



GENERAL DYNAMICS
Strength On Your Side™

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Introduction

Over the years, General Dynamics Network Systems has experienced significant growth in its IT services business serving government and commercial customers worldwide. As a valued supplier or vendor to Network Systems, your contributions and efforts have played an integral role in our service offerings. The valued partnerships we have forged with our suppliers have allowed us to expand the technology capabilities we can provide and has established Network Systems as a premier provider of telecommunications infrastructure and IT services.

General Dynamics Network Systems and its subsidiaries are strongly committed to adhering to certain principles of ethical standards and practices. We expect not only General Dynamics employees, but also our partners in business to abide by these same ethical standards and practices. Please read this booklet carefully as it sets forth the high standards and principles we feel are important in doing business with our company. Be aware that the high standards we are committed to upholding are the same principles that we expect your company and employees to adhere to when doing business with General Dynamics. We believe it is in our mutual interest to foster a relationship built upon common dedication to excellence supported by mutual respect and adherence to applicable standards of business conduct.

Thank you for your continued support.

Mutual Respect

In order to benefit from a successful business relationship with our vendors, we need to respect not only our employees but also our vendor's employees. Similarly, we expect our vendors to treat General Dynamics' employees with a level of respect and professionalism in all business dealings. Observance of the principles below will produce a workplace free from improper and offensive conduct.



Harassment/Discrimination

Harassment and discrimination are not tolerated by General Dynamics. We believe each employee, regardless of the employee's race, color, religion, national origin, age, physical or mental disability or gender, is a valuable employee and should be respected. Any vendor doing business with General Dynamics shall not engage in any type of illegal harassment and/or discrimination in any form against any General Dynamics employee. Similarly, all General Dynamics employees have been instructed not to harass or discriminate against co-workers, business partners and customers.

Equal Employment Opportunities

General Dynamics is strongly committed to a positive work environment in which all individuals may grow, contribute and participate free from discrimination. We are committed to legally compliant policies and practices in all aspects of employment, including: recruiting, hiring, evaluation, training, discipline, work and service assignments, career development, compensation, promotion, and termination. We expect our vendors to treat not only General Dynamics employees, but also their own employees, equally regardless of race, color, sex, national origin, age, religion, disability, or other protected status.

Drug-Free Workplace

General Dynamics maintains a workplace that is free from the effects of drug abuse. We do not tolerate any use of illegal drugs or abuse of controlled



substances while vendors are engaged in General Dynamics' business or while working at a General Dynamics company location. We expect our vendors to maintain the same type of drug-free environment and hold its employees to the same high standards.

Workplace Violence

General Dynamics does not tolerate violent behavior in the workplace, whether committed by or against our employees. We prohibit the following behavior: making threatening remarks, causing physical injury to someone else, intentionally damaging someone else's property, or acting aggressively in a way that causes someone else to fear injury.

Vendors should be aware that any behavior on their part, or by their employees, that is questionable or could be construed as dangerous or violent is unacceptable and will not be tolerated. Such behavior should be reported to a General Dynamics site supervisor, manager, Human Resources representative, or Security Officer and may result in removal of your employee or termination of our business relationship.

Gifts & Gratuities

General Dynamics competes solely on the basis of the value and merits of its products and services and on its reputation for honesty, fairness and integrity. General Dynamics employees are prohibited from offering or giving any item of value to a current or prospective customer in an attempt to improperly influence a contract award decision or other favorable customer action.

Certain specific standards regarding gifts and gratuities also apply in the following areas:

Meals and Entertainment

General Dynamics employees are permitted to provide for entertainment and business meals for domestic and foreign commercial customers and suppliers so long as such payments are reasonable, infrequent, business-related, do not violate the recipient's policies, and comply with applicable laws and regulations, as well as General Dynamics' expense reporting requirements.



Other Items of Value

Other items of value may be offered or given to commercial U.S. or foreign prospective or current customers, subcontractors, and vendors:

If the value of such an item is reasonable (\$100 or less in the United States, and \$200 or less outside the United States) and it is otherwise permissible for the recipient to accept such item.

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- If the value of such an item is greater than set forth above, prior written approval must be obtained from the General Dynamics Ethics Officer.

Under no circumstances shall a General Dynamics employee offer or give cash or any investment interest, in any amount, to a customer, subcontractor or other vendor.

Foreign Gifts

- General Dynamics' policy is to discourage receipt of gifts in the international marketplace. To the extent moderate and customary gifts are permitted, any gifts received from foreign customers shall become the property of General Dynamics and may be purchased from the company offering such gift based on a fair assessment of its value. Such gift may also be delivered to the General Dynamics Ethics Officer for receipt on behalf of the company.
- The U.S. Foreign Corrupt Practices Act prohibits giving or offering money or anything of value to a foreign government official, foreign government party or party official, or any candidate for a foreign political office for the purpose of obtaining, retaining, or directing business.

Gifts to Government Officials

The rules on offering gifts to Government officials are significantly more stringent than gifts to commercial customers. Vendors should understand that General Dynamics employees are strictly prohibited from offering or giving any gift or other item of monetary value (with limited exceptions, such as gifts less than \$20 in value per gift and less than \$50 annually) to a Government official with whom the company conducts business. It is General Dynamics' unwavering policy to avoid any appearance of impropriety with Government officials and instead to rely on our strong performance and service offerings as justification for receiving business from Government agencies.

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Bribes and Kickbacks

General Dynamics employees must never offer, give, solicit, or accept any form of bribe or kickback. We expect our vendors to adhere to these strict prohibitions as well when conducting business with General Dynamics. A bribe or kickback is the giving or accepting of money, fees, commissions, credits, gifts, favors, or anything of value that is either directly or indirectly provided in return for favorable treatment. Favorable treatment often can appear innocent but is illegal when offered in exchange for a gift.

All vendors working for or on behalf of General Dynamics and its subsidiaries must adhere to the requirements of the Anti-Kickback Act of 1986 and Federal Acquisition Regulation (FAR) 52.203-7. Some important aspects of these requirements are:

- All vendors are strictly prohibited from attempting to offer, provide, solicit, or accept or from offering, providing, soliciting, or accepting any kickbacks to or from any prime contractor or subcontractor or any employee of either.
- General Dynamics shall not directly or indirectly include the amount of any kickback in any price charged to the United States Government.
- General Dynamics shall maintain and follow procedures designed to prevent and detect possible violations of the Anti-Kickback Act of 1996 in its operations and direct business relationships.



- Any vendor who has reasonable grounds to believe that there has been a violation of the Anti-Kickback Act shall promptly report the possible violation to the General Dynamics Legal Department, which may be required to disclose such kickbacks to the appropriate Government authorities.

Conflicts of Interest

A conflict of interest occurs when your private interests interfere – or appear to interfere—with the interests of General Dynamics. Your company should base its business decisions on our company’s needs, rather than on the personal interests of your employees, the interests of family or friends, or any other reason that creates a conflict which could impact either party’s objectivity. In this regard, be aware that any personal business relationships that you or your company may have with a supplier, customer or competitor of General Dynamics should never influence the decisions you make on behalf of our company. It is critically important that we avoid even the appearance of a conflict between your personal interests and those of General Dynamics.

In your capacity as a vendor supporting General Dynamics, if you are required to gather information about our competitors, only gather such information from public sources that are freely available to others. Never spy or steal in order to obtain competitive information on our behalf and never obtain proprietary or confidential information of your company or a third party to General Dynamics and its employees, unless pursuant to an executed confidentiality agreement.

Adherence to Contractual and Legal Requirements

General Dynamics is committed to complying with all of the terms of its contracts. Our primary goal is deliver the goods and services as promised within budget and on time. We never substitute material, change testing, or alter quality control requirements except in accordance with applicable customer procedures. We never certify that something has been tested or performed when it has not been.

As a company doing business with General Dynamics, you are expected to adhere to the following responsibilities:

- Do not make substitutions without following applicable customer procedures;
- Perform all required tests in accordance with the terms of contract;
- Provide accurate and honest invoices/claims. It is your responsibility to submit your time and expenses promptly and accurately. Within General Dynamics, any employee, consultant, or contract labor personnel found to be mischarging is subject to disciplinary action, up to and including termination of employment. In addition to any actions that your company or the customer may take, should General Dynamics discover mischarging, product substitution, or any material misrepresentation, fraud or contractual deviation committed by one of its vendors, it will seek to enforce all available remedial measures, including but not limited to termination of our business relationship.

Export/Import Compliance

Export and import compliance is an important national priority. Various laws regulate the export, re-export and import of certain products and information in order to protect national security and further foreign policy interests of the United States. General Dynamics is serious in its commitment to export/import compliance and enforcement of its export/import compliance policy and expects its vendors to be cognizant of such requirements.

If your company conducts business for General Dynamics in international markets, you must ensure that such transactions are conducted properly and in accordance with U.S. Trade Controls and General Dynamics' policy.

There are various export/import violations that carry severe penalties. Be aware of the following violations that make it unlawful to:

- Export or attempt to export from the U.S. or to re-export any defense article or technical data, or to furnish any defense service without first obtaining the required license or written approval from the Department of State.
- Export or attempt to export from the U.S. or to re-export any commercial or dual-use item without an appropriate license or other authorization from the Department of Commerce.
- Import or attempt to import any defense article without first obtaining the required authorization.



- Violate any of the terms or conditions of licenses or approvals granted by the Departments of State or Commerce (“limitations and provisos”).
- Make a false statement or misrepresent or omit a material fact in a license application or other export document.
- Fail to file a Shippers Export Declaration when required.
- Export or re-export to an unauthorized consignee.
- Hand-carry technical data or hardware overseas without appropriate authorization and documentation.
- Transmit technical data electronically (by fax, e-mail, telephone, internet, intranet, etc.) to foreign persons or General Dynamics employees overseas without appropriate export control authorization.

Due to the severe consequences of non-compliance with U.S. government regulations, any company doing business with General Dynamics who fails to comply with these regulations will be subject to termination of our business relationship.

Commitment to Quality

General Dynamics is committed to providing the best value products and services to our customers by complying with requirements and through the attainment of quality goals and the continual improvement of our business processes. In order to produce these products and services, General Dynamics maintains certain quality standards explained below.

International Organization for Standardization (ISO)

General Dynamics is proud of its ISO 9001 registration and committed to maintaining the high standards that this registration demands. This registration provides indisputable evidence that our Quality Management System (QMS) conforms to the internationally recognized ISO 9001 Standard. ISO 9001 registration is important since the U.S. Government has been phasing out Federal and DoD standards and moving toward adopting ISO standards. In addition, many U.S. and international companies are only doing business with other ISO-registered companies. ISO 9001 standardizes the process and procedures we use, and the manner in which we keep records. ISO 9001 registration means that our processes and commitment to quality has been validated.



Under ISO, all programs and locations are subject to audit. The audits verify the ability to prove compliance with our QMS and the ISO Standard. The ISO Registrar conducts external audits and internal audits are conducted by qualified internal auditors. Vendors working on site at General Dynamics business units need to be aware that General Dynamics is ISO 9001 registered and that audits occur periodically.

Environmental, Health and Safety Policy (EHS)

General Dynamics is committed to developing, implementing, and maintaining effective safety programs and procedures to safeguard personnel, facilities, and the environment at all company locations. General Dynamics has established effective procedures for protection of employees, contractors, vendors and other visitors and will provide safety assistance and guidance to ensure compliance with relevant legislation and regulations by utilizing measurable objectives and targets designed to promote continual improvement and to reduce pollution.

Operational control procedures are developed and maintained for situations and activities where the absence of specifically defined programs or systems can result in significant risk of personal injury, damage to the environment or noncompliance to applicable EHS governmental regulations. As a result, vendors and their employees are responsible for personal compliance with applicable EHS operational controls to the extent required by their job responsibilities. Information regarding personal compliance will be provided to all vendors working on-site at General Dynamics' facilities. Such information will include:

- Assuring vendor is escorted in a company facility at all times.
- Assuring vendor has reviewed general safety information.
- Briefing vendor about any potential site-specific hazards to which they may be exposed.

Directing vendor to designated muster area in the event of an evacuation.

Conclusion

General Dynamics hopes to enjoy a successful business relationship with all the companies it engages. In order that our business relationship is not jeopardized, ask that you to abide by the guidelines set forth in this pamphlet. Any questions related to this pamphlet or doing business with our company can be directed to your contractual point of contact, the General Dynamics Network Systems Ethics Officer (781-455-5400), or to any member of the General Dynamics Network Systems Legal Department.

Thank you for your continued cooperation.

