

SUPPLIER CODE OF CONDUCT

OBJECTIVE

AVTEC is committed to promoting integrity and the highest ethical standards in all aspects of its business. Consistent with this commitment, this **Supplier Code of Conduct (“Code”)** sets forth AVTEC’s fundamental ethical and business conduct requirements for its suppliers, contractors, and all third-party vendors who provide products or services to AVTEC (hereinafter referred to individually as “Supplier” and collectively as “Suppliers”). This Code is not intended to be an exhaustive list of all requirements to be followed by Suppliers, rather a high-level overview of such requirements. All references in this Code to “laws” mean all applicable laws, regulations, codes, directives, rules, decrees, and governmental orders.

Suppliers are responsible for ensuring that their directors, officers, employees, agents, representatives, suppliers, subcontractors, affiliate entities, and other business partners understand, and comply with, the requirements set forth in this Code. Suppliers will promptly notify AVTEC in writing of any known or suspected violation of this Code.

APPLICABILITY

This Code applies to suppliers, contractors, and all third parties, including agents, consultants, and licensees, who provide goods and/or services to AVTEC or any of its subsidiaries, affiliates, or agents. The Code may be updated or modified by AVTEC from time to time at its sole discretion.

CODE OF CONDUCT

1. ETHICAL CONDUCT

Suppliers shall conduct their business activities and deal on behalf of their company with professionalism, honesty and integrity, as well as with high moral and ethical standards. Such conduct shall be fair and transparent and perceived to be as such by third parties.

2. REGULATORY COMPLIANCE REQUIREMENT

Suppliers shall, while conducting their business comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which they operate.

3. ACCOUNTING AND REPORTING

Suppliers shall ensure that their accounting and financial records meet the highest standards of accuracy and completeness. All financial transactions shall be reported in accordance with generally accepted accounting practices, and the accounting records shall show the nature of all transactions in a correct and non-misleading manner

4. BRIBERY, CORRUPTION AND MONEY LAUNDERING

4.1. Anti-Corruption Laws

Suppliers must adhere to the highest standards of moral and ethical conduct, and comply with applicable national and international anti-bribery and anti-corruption laws, directives, and regulations, including the Indian Bribery Act and any analogous legislation of this and any other jurisdictions.

Suppliers shall not engage in corruption, commercial bribery, extortion, embezzlement, fraud, deception, collusion, cartels, abuse of power, money laundering, or similar misconduct in any form. Suppliers must never accept, request, offer, promise, authorise, or provide, directly or indirectly, any improper payments of money, bribes, kickbacks, or anything of value to a governmental official or to a counterparty in the private sector with the intent to influence official action, obtain an improper or unfair advantage, obtain or retain business, or influence a third party's actions. This prohibition includes any type of facilitation payments, large or small, even where such payments are perceived as a common part of local business practice or acceptable under local law. Suppliers are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including joint ventures, partnerships, and the hiring of intermediaries such as agents or consultants.

4.2. Fraud

Every form of fraud (e.g. fraud, embezzlement, theft, misappropriation, tax evasion, or money laundering) is prohibited, regardless of whether AVTEC assets or third-party assets are affected.

4.3. Competition and Anti-Trust

Suppliers must always engage in fair and honest competitive business practices. Suppliers shall not enter into any agreement that might restrain trade which includes price fixing, dividing or manipulating the market, colluding in bids, limiting production, unlawful exchange of competitively sensitive information with competitors, or unlawfully restricting competition. Suppliers shall comply with all applicable antitrust and competition laws in every jurisdiction where their operations are conducted.

4.4. Gifts/Business Courtesies

Suppliers are expected to compete on the merits of their products and services. Suppliers shall not offer nor are permitted to accept any business courtesies, gifts, or other benefits of any type in connection with business transactions, either directly or indirectly, that give the appearance of impropriety or which are illegal, lavish, frequent, vulgar, and/or in exchange for improper business advantage.

Suppliers shall ensure that any gifts, travel, and entertainment are permitted by this Code and all applicable local or other laws, regulations and that they are always modest and infrequent, reasonable, properly recorded, and for a legitimate purpose.

4.5. Money Laundering and Tax Law Compliance

Suppliers must always:

- Comply with anti-money laundering laws and regulations;
- Comply with all tax laws and regulations in the jurisdictions in which they operate. Where tax laws do not give clear guidance, prudence and transparency shall be the guiding principle;
- Act carefully to prevent AVTEC from being involved or used in money laundering, tax evasion, or other criminal activities;

5. CONFLICT OF INTEREST

Suppliers must always:

- Completely and truthfully disclose, in writing, any actual, potential, or perceived conflicts of interest to their AVTEC contact before entering into negotiations and/or starting a business relationship with AVTEC;
- Promptly disclose in writing to their AVTEC contact any conflicts of interest arising during their business relationship with AVTEC;
- Avoid any conflicts of interest, whether actual, potential, or perceived, that are not properly disclosed and mitigated.

6. INFORMATION PROTECTION

6.1. Confidential/Proprietary Information

Suppliers shall protect all sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g. advertisement, publicity, and the like) other than the business purpose for which it was provided unless there is prior authorisation from the owner of the information.

Data Privacy and information security are of the utmost importance to AVTEC. Suppliers shall protect personal data and confidential and proprietary information of AVTEC and others, from unauthorised access, use, modification, destruction, and disclosure, through appropriate physical and electronic security procedures.

Face to face discussions should be conducted in a secure location. If confidential information to be discussed or exchanged between AVTEC and the Supplier, or the Supplier and a Third Party, the parties shall first ensure that a Confidentiality or Non-Disclosure Agreement has been signed and is being complied with.

6.2. Intellectual Property

Suppliers shall respect the intellectual property rights of others, including AVTEC, its affiliates, and business partners. Suppliers must comply with all applicable laws governing intellectual property rights, including intellectual property designated as a trade secret, as confidential, or that is subject to patents, copyrights, or trademarks restrictions.

7. HEALTH, SAFETY, AND ENVIRONMENT (HSE)

Suppliers are responsible for operating their facilities in a manner that protects and preserves the natural environment; prevents pollution; conserves natural resources; minimizes waste, adhere to emissions norms, and actively promotes the health and safety of their employees, customers, suppliers, contractors, and the general public. Suppliers are expected to have a program or mechanism(s) to enforce and monitor compliance with their respective health, safety, security, and environmental requirements.

Suppliers should be environmentally responsible by adopting systematic approach to:

- Ensure commitment to protect the environment such as by having the required permits, approvals and registrations maintained and kept valid in compliance to all environmental laws.
- Ensure pollution prevention by reducing or eliminating waste, substituting materials where appropriate, conservation, recycling and re-using of materials and using energy and natural resources efficiently.
- Ensure that a proper waste management system is in place for safe disposal of waste generated from operations including waste being characterized, monitored, controlled and treated prior to discharge and disposal.
- Focus on hazard recognition, risk assessment, and elimination of hazards.

At a minimum, Suppliers will abide by local and national HSE laws. Suppliers shall apply the best practice standards as well as comply with internationally accepted standards and practices where applicable. Suppliers will comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical structural and machine safety.

They shall have well-established safety procedures, preventative maintenance and protective equipment in compliance with the law. Suppliers shall have a Business Continuity Plan to minimize business impacts in the event of major disruption like flood, fire, earthquake, strikes or any riots etc. They shall have a written Emergency Response Plan to minimize harm to the employees, local community and environment and risk of business disruption to AVTEC in the event of a disaster.

8. HUMAN RIGHTS

AVTEC expects its Suppliers to treat people with dignity and respect, encourage diversity, promote equal opportunity for all, and foster an ethical culture, in accordance with the relevant Laws of the Country and ILO conventions.

8.1. Child Labour

Suppliers must ensure that child labour is not used in their business operations. The Supplier shall not hire any person less than 18 years of age. Suppliers shall not use involuntary labour of any kind, including forced prison labour, debt bondage or forced labour. Additional standards include the following:

- Suppliers shall comply with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working condition. Vocational or developmental programs for young people require an exception to the age requirements.
- Suppliers shall maintain official documentation that verifies a worker's date of birth, employment and training history. AVTEC reserves the right to review this information whenever required.

8.2. Human Trafficking including Forced Labour

Suppliers must comply with regulations prohibiting human trafficking and all applicable local laws in the country or countries in which they operate. Suppliers must respect the free choice of all persons and strictly prohibit forced or compulsory labour for any employees. Suppliers should not do business, nor associate with organisations or entities that traffic in persons, condone or are engaged in the practice of coercing or imposing work with little or no freedom of choice or use any form of slave, forced, bonded, indentured, or involuntary prison labour. This includes a prohibition on the transportation, harbouring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

Suppliers should work to raise awareness among their employees of the Supplier's responsibility to protect human rights.

As part of this commitment to prohibiting human trafficking, Suppliers may not engage in any of the following conduct:

- Destroying, concealing, or confiscating identity, educational, academic or immigration documents;
- Using fraudulent recruiting tactics; or
- Charging employees the recruitment fees
- Make material misrepresentations during the recruitment of employees regarding: (a) the key terms and conditions of employment, including wages and fringe benefits, (b) the location of work, (c) living conditions (d) housing and associated costs (if employer / agent provided or arranged) and (e) if applicable, the hazardous nature of the work

8.3. Harassment

Suppliers shall provide their employees with a workplace free from physical, verbal, and psychological harassment, or other abusive conduct.

8.4. Working Hours, Wages, and Benefits

Suppliers shall follow the labour laws and other such laws and regulations prevalent in the Country or origin in regard to wages, working hours and overtime.

8.5. Whistle-blower Protection

Suppliers shall provide their employees and other stakeholders with avenues for raising legal or ethical issues or concerns. Suppliers shall maintain whistle-blower confidentiality and prohibit retaliation against employees who participate in such programs in good faith.

9. CODE ADHERENCE RESPONSIBILITY

9.1. AVTEC Compliance Verification

Commensurate with the size and nature of their business, Suppliers are expected to establish management systems and processes to ensure compliance with applicable laws, regulations, and the expectations set forth in this Code. Suppliers acknowledge and agree that the Suppliers are solely responsible for full compliance with this Code by Supplier's directors, officers, employees, representatives, sub-suppliers, contractors, and other business partners. Suppliers are encouraged to implement their own written code of conduct and to flow down their principles to the entities that furnish them with goods and services.

This Code of Conduct is available on AVTEC's website www.avtec.in. It is incumbent on the part of Supplier that they have read, understood and are agreeing to strictly abide by this Code during the tenure of their engagement with AVTEC.

9.2. Consequences for Violating the Code

Suppliers are required to adhere to this Supplier Code of Conduct strictly. They shall promptly inform AVTEC when any situation develops that causes them to operate in violation of this Code. While Suppliers are expected to self-monitor and demonstrate their compliance with this Code, Suppliers shall allow AVTEC to audit or inspect Suppliers' facilities to confirm their compliance when requested by AVTEC with reasonable notice.

In the event that the expectations of this Code are not met, the business relationship may be reviewed and corrective action pursued. The Supplier will provide AVTEC with a written report detailing identified deficiencies and a corrective action plan. If there is no commitment or lack of corrective measures, it may result in AVTEC ceasing to do business, and as a final resort, terminate contracts with the Supplier without liability to AVTEC.

Additionally, Suppliers need to exercise due diligence in regard to social and environmental responsibility when sourcing materials and parts. Suppliers are urged to have their own suppliers, agents, and affiliates conduct the same due diligence to enable compliance throughout their supply chain.