



Document Title	Effective Date	02/22/2022
Business Ethics Policy	Prepared by	Franklin Meunier
	Version	1

## 1. PURPOSE

The objective of this document is to standardize the training of ITS employees in the ITS business ethics policy.

## 2. SCOPE

This policy applies to all ITS employees and consultants

## 3. REFERENCES

ISO 9001

## 4. DEFINITIONS

N/A

## 5. RESPONSIBILITIES

**President:** Is responsible for establishing, keeping, implementing this policy, and to ensure all ITS employees are trained periodically and that proper records are maintained.

**All Personnel:** Responsible for following this policy.

## 6. PROCEDURE

### 6.1. Business Ethics

#### Introduction

ITS is committed to comply with all applicable laws and regulations and adhere to the highest ethical standards. This Business Ethics policy applies to all ITS employees, directors, contractors, and consultants of ITS. It is written to assist us all in understanding and abiding by these principles. Whenever in doubt about any issue, please seek advice from the president. Periodic review of this policy will take place and the results saved for review.



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## **OPEN DOOR POLICY AND REPORTING OF VIOLATIONS**

Employees are encouraged to bring questions, suggestions and complaints concerning the material in this policy to the President's attention. An employee's job will not be adversely affected in any way because he or she chooses to use this policy to report a possible violation.

**ITS WILL NOT TOLERATE, UNDER ANY CIRCUMSTANCES, RETRIBUTION OF ANY KIND AGAINST ANYONE FOR REPORTING IN GOOD FAITH A VIOLATION OR POSSIBLE VIOLATION OF ANY LAW, OR REGULATION STATED IN THIS POLICY. ANY ATTEMPT TO RETALIATE AGAINST SUCH PERSON WILL RESULT IN DISCIPLINARY ACTION, WHICH MAY INCLUDE TERMINATION OF EMPLOYMENT.**

## **INTERNAL ITS PRACTICES**

### **Copyright Infringement**

It is strictly against ITS policy for any employee to copy or otherwise reproduce any materials which are subject to the protection of the copyright laws. If you need advice in this area, consult the president.

### **Falsification of Records**

It is strictly against ITS policy for any employee to create, or participate in the creation of any records that are intended to mislead or to conceal the truth concerning any project attribute, ie status, QA review, reliability, verification and validation.

### **Retention of Records**

It is strictly against ITS policy for any employee to dispose of ITS's records of meeting reviews, design reviews, processes ie, quality records without permission from the President.

### **ITS Property**

Employees are expected to take adequate precautions for the protection of ITS assets. Employees are expected to provide reasonable care for ITS property and equipment, including use, maintenance, safety and protection from theft and vandalism.

ITS property and equipment are not to be used for employees' personal benefit.

### **Alcohol and Substance Abuse**

ITS has a strong commitment to its employees to provide a safe place to work. Therefore, ITS prohibits the possession, use, purchase, sale or transfer of controlled substances and drug paraphernalia. In addition, ITS prohibits employees from reporting to work under the influence of alcohol or controlled substances.

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**Equal Employment Opportunity**

ITS is an equal opportunity employer and will not discriminate against applicants, employees or trainees on the basis of origins, gender, lifestyle, sexual orientation, age, family status or pregnancy, genetic characteristics, ethnic group, nation or race, political opinions, union or pro-bono activities, religious beliefs, physical appearance, family name, health or handicap.

This policy extends to all personnel actions including, without limitation, hires, transfers, promotions, demotions, compensation and benefits administration, participation in ITS-sponsored training, education and social programs, layoffs, recalls and termination of employment.

**Unlawful Discrimination and Harassment**

ITS prohibits any form of unlawful discrimination or harassment of employees. ITS will not tolerate mental harassment, sexual harassment, or abuse of any kind. While each case must be evaluated on an individual basis, mental harassment and sexual harassment are generally defined as follows:

**Mental harassment** is constituted by repeated acts whose purpose or effect is to cause deterioration in the working conditions in a manner that could infringe an employee’s rights and dignity, impair his or her physical or mental health or jeopardize his or her professional advancement.

**Sexual harassment** consists of any act of harassment of a sexual nature by any person with a view to obtaining sexual favors for his or her own benefit or the benefit of third party or with the purpose or effect of creating an intimidating, hostile or offensive working environment.

If you experience any job-related harassment or believe you have been treated in an unlawful, discriminatory manner, promptly report the incident to the President or the Human Resources Manager. Any of the above persons to whom you report an incident of job-related discrimination or harassment will ensure that an independent investigation is undertaken and completed as soon as possible. Your complaint will be kept confidential to the maximum extent possible. As stated earlier, ITS prohibits any retaliation against an employee for filing a discrimination or harassment complaint, or testifying, assisting, or participating in any way in an investigation.

If ITS determines that an employee has engaged in unlawful discrimination or harassment of or retaliation against another employee, appropriate disciplinary action will be taken against the offending employee, up to and including termination of employment.

**CONDUCT OF ITS’S BUSINESS**

**Conflicts of Interest**

ITS Personnel are expected to be sensitive to the interests of ITS and render their best impartial judgment in all matters affecting ITS. Even the most well-meaning person may be swayed — or appear to others to be swayed — if the business transactions and decisions made by that individual on behalf of ITS influence the personal or economic interests of the



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individual or of the individual’s immediate family. To maintain independence of action and judgment, it is necessary to avoid such potential compromise or appearance of compromise.

Employees who, with or without compensation, render services to or serve on the board of directors of, any person, group or organization who sells or is attempting to sell to ITS or who is a customer of ITS, and employees who have a financial interest in any organization that sells to or is attempting to sell to ITS or who is a customer of ITS, must disclose such conflicts of interest in writing to the President.

Requests or acceptance of money or services for an employee’s personal use from any customer, vendor or person attempting to do business with ITS in return for favorable action will be considered a bribe, may be illegal and will be grounds for disciplinary action up to and including termination of employment.

ITS desires to treat fairly and impartially all persons and companies with whom it has business relationships. Giving or accepting gifts and entertainment can be construed as an attempt to unduly influence those relationships. Generally, you should not provide or accept gifts of more than nominal value or entertainment of greater than usual or customary expense. Gifts of money are never permissible. Your judgment should tell you when a gift is improper and should be refused to prevent embarrassment to everyone and to avoid what may be an unintentional violation of the law. If in doubt about whether a gift or entertainment is appropriate, ask the president.

Business entertainment is an ambiguous area. Picking up a check (or letting someone else do it) for a business lunch or dinner or a trip to a sporting event or the theater is usually permissible. But a clear business purpose should be involved.

Use of the name or the purchasing power of ITS to obtain discounts or rebates on purchases made for personal use, other than offers made to all employees, is inappropriate.

**Pricing Decisions**

Pricing decisions made by ITS employees shall be made independently. Pricing of ITS goods and services shall be made using the best estimate of required effort and material costs. General level of efforts discussions with customers are permitted for rough order of magnitude estimates, or when customer knowledge of the level of effort is far more detailed and cannot be reliably achieved from data provided to ITS. Pricing information may only be shared with outside companies if there is a joint teaming agreement. The following activities shall be considered a violation of pricing policy:

- 1.) The refraining from bidding on any order or job at the behest of a competitor
- 2.) The sharing of Pricing Information with an entity outside of ITS, (not related to the potential customer)

**Industry Gatherings and Trade Associations**

ITS employees shall take care at industry gatherings to avoid the sharing of sensitive information. Information to be shared must be approved upon in advance of attendance at a trade conference. No details of pricing or level of efforts shall be discussed, unless approved upon in advance and only under the motivation to secure future business.



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**“Kickbacks” and Rebates**

The ITS purchase or sale of goods and services must not lead to employees or their families receiving, or ITS giving, kickbacks, or rebates. “Kickbacks or rebates” can take many forms and are not limited to direct cash payments or credits. In general, if you or your family stands to gain personally through the transaction, it is prohibited and is a violation of ITS policy.

**Reciprocity**

Suppliers shall not be asked to buy our products or services to become or continue to be a supplier to ITS.

**Accurate and Timely Accounting Reports**

ITS is committed to providing business partners with full, fair, accurate, timely and understandable disclosures in accounting reports. ITS shall comply with generally accepted accounting principles at all times; and maintain a system of internal accounting controls that will provide reasonable assurances to management that all transactions are properly recorded. ITS shall maintain books and records that accurately and fairly reflect ITS’s transactions. ITS shall maintain a system of internal controls that will provide reasonable assurances to management and outside auditing agencies that material information about ITS is fair and accurate.

**Trade Secrets and Confidential Information**

ITS employees shall safeguard ITS’s trade secrets and confidential information and refuse any improper access to trade secret and confidential information of other companies, including our competitors. To protect ITS trade secrets and confidential information, ITS may require all employees to sign a confidentiality agreement.

The following guidelines will help you comply with your confidentiality obligations:

1. Trade secrets and confidential information to which ITS personnel may have access should be discussed within ITS only on a need-to-know basis.
2. Disclosure of trade secrets and confidential information to any outside persons should be done only in conjunction with an approved disclosure agreement with the outside parties prior to any disclosure of trade secrets and confidential information.
3. Personnel must be alert to inadvertent disclosures of trade secrets and confidential information which may arise in either social conversations or in normal business relations with our suppliers and customers. Keep in mind that trade secrets and confidential information include sensitive, restricted information, which is not generally disclosed, and which is useful or helpful to ITS or which would be useful or helpful to our competitors. Common examples include such things as product design and related information, financial data, sales figures, planned new projects or lists of suppliers, lists of customers.

**Environmental and Workplace Standards**

It is ITS policy to comply with all laws and regulations concerning the environment and safety in the workplace.

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ITS’s highest priority is protecting the safety and health of our employees, customers, and the communities where we do business. Also, substantial fines and other penalties can be assessed against ITS for violation of applicable environmental and workplace laws.

In the United States, the Occupational Safety and Health Administration requires compliance with specific mandated standards, including the General Duty Clause that employers must furnish a workplace “... free from recognized hazards that are causing or are likely to cause death or serious physical harm to employees.” The requirements may include employee training, written safety programs and workplace inspections.

**Foreign Corrupt Practices Act**

The Foreign Corrupt Practices Act is a United States federal law that is designed to prevent corporations and their employees from paying bribes or taking similar actions in foreign countries. The act provides for serious penalties to ITS and its employees involved in a violation, including severe fines and criminal prosecution.

It is a violation of ITS policy for any director, officer, employee or agent of ITS to offer or make any payments or give anything of value, directly or indirectly, to any government official, or to any other person, while knowing (or having reason to know) that doing so will result in a payment to a government official, in order to obtain business, to retain business, to direct business to others or to otherwise gain a business advantage.

**RELATIONS WITH THIRD PARTIES**

**Political Contributions**

Only the Board of Directors of ITS may make decisions concerning the making of political contributions by or on behalf of ITS. The Board of Directors will not permit ITS to make political contributions where it is illegal or improper to do so. Employees are not permitted, in any way, to make contributions on behalf of ITS, directly or indirectly, to any candidate or party or to any organization that might use the contribution for a political candidate or party.

**Entertainment & Gifts**

ITS will treat fairly and impartially all persons and firms with whom it has business relationships. The acceptance of gifts, entertainment, favors, personal discounts and similar gratuities might influence or raise doubts as to the impartiality of the recipient, damage ITS’s reputation for fair dealing and violate anti-kickback and bribery laws. Employees should consult the President if they have any question or concern regarding the appropriateness of any entertainment, gifts or favors. To be appropriate, entertainment, gifts and favors must be such that:

1. They are consistent with accepted business practices.
2. They are of sufficiently limited value, and in a form that will not be construed as influencing or rewarding a particular course of action.
3. They are not in violation of applicable law and generally accepted ethical standards.



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4. Public disclosure of the facts will not embarrass ITS.

5. They will not be used to influence an employee, customer, or supplier improperly or to knowingly violate a customer's or supplier's own rules against acceptance of gifts or entertainment.

**Unethical Practices by Persons Other Than Employees**

Situations might arise in which possible unethical or illegal conduct on the part of a person other than a ITS employee comes to your attention. For example, a customer, supplier or government official might be offering or accepting a bribe or "kick-back." In such a situation, all possible steps should be taken to avoid any direct or indirect participation or implication in such conduct. In addition, the possible existence of such unethical conduct on the part of others should be reported immediately to an employee's immediate supervisor or department head or to the President. Under no circumstances shall an employee of ITS encourage, directly or indirectly, unethical, illegal, or improper conduct on the part of another person.

**DISCIPLINE**

ITS Personnel are expected to observe ITS's policies and to always maintain appropriate standards of conduct. Because ITS believes strongly in ethical conduct, if a director's, officer's, employee's, contractor's, or consultant's behavior violates the policies or ethical standards set forth in this policy or interferes with the orderly and efficient operation of ITS business, appropriate corrective disciplinary measures will be taken. Disciplinary action may include a verbal warning, written warning, suspension without pay and discharge. The appropriate disciplinary action will be determined by ITS. Subject to compliance with applicable law relating to disciplinary procedures, one form of disciplinary action will not necessarily precede another.

**SUMMARY**

This policy applies to all ITS personnel and affirms our commitment to the highest standards of integrity in our relationship with one another, our customers, and suppliers. ITS personnel will receive this policy and will be briefed on its contents. Any reported violation of these policies will result in a fair and unbiased investigation with full due process standards.



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## 7. DOCUMENT CHANGE HISTORY

<i>Rev.</i>	<i>Date</i>	<i>Description and Reason for Change</i>	<i>Author</i>
.01	06/25/2021	First Draft	Franklin Meunier
.02	07/06/2021	Incorporated Dave Lawless Comments	Franklin Meunier
.03	1/27/2021	Revised to change/add verbiage	Bridget Frogameni
.04	2/22/2022	Updated based on Quality Management Review	Bridget Frogameni
1	2/22/2022	Final Document/Approved 2/22/2022	Franklin Meunier