

Supplier Code of Conduct

The Flight Safety International (FSI) Simulation Systems Supplier Code of Conduct describes our corporate responsibility requirements for our third party suppliers (“Suppliers”). It is based upon the Electronic Industry Citizenship Coalition® (EICC®) Code of Conduct v4.0 (2012). FSI’s Supplier Code of Conduct requires all of our Suppliers to ensure that working conditions in their operations and supply chains are safe, that workers (e.g., employees, contract workers) are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.

Suppliers, in all of their activities, will operate in full conformance with the laws, rules and regulations of the countries in which they operate. The Supplier Code of Conduct also encourages Suppliers to meet internationally recognized standards and best practices in order to advance social and environmental responsibility, and business ethics.

FSI declares our support for the EICC Code, and as a condition of doing business with FSI, Suppliers will conform to these requirements and communicate our Supplier Code of Conduct to their suppliers. We will assess conformance to these requirements and will consider a Supplier’s conformance in making sourcing and procurement decisions. Because the situation for our Suppliers’ workers can deteriorate if we terminate our relationship with a Supplier, we work with our Suppliers to improve conditions by providing training, capacity building, ongoing monitoring and follow up assessments. However, if a Supplier refuses or is unable to correct non-compliance to our satisfaction, we will terminate the relationship.

The Supplier Code of Conduct is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D adds standards relating to business ethics; and Section E outlines the elements of an acceptable system to manage conformity to this Supplier Code of Conduct.

A. LABOR

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers, including temporary, migrant, student, contract, direct employees, and any other type of worker.

The labor requirements for Suppliers are:

1. Freely Chosen Employment. Forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons will not be used. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work will be voluntary, and workers will be free to leave work at any time or terminate their employment. Workers will not be required to surrender any government-issued identification, passports, or work permits as a condition of employment. Excessive fees are unacceptable and all fees charged to workers will be disclosed to FSI.

2. Child Labor Avoidance. Child labor will not be used in any stage of manufacturing. The term “child” refers to any person under the age of 15, the age for completing compulsory education, or the minimum age for employment in the country as set forth by local law, whichever is greatest. The use of legitimate

workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

3. Working Hours. Studies of business practices clearly link worker strain to reduced productivity, increased turnover and increased injury and illness. Workweeks, including overtime, will **not be more than** the maximum set by local law.

4. Wages and Benefits. Compensation paid to workers will comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Deductions from wages as a disciplinary measure will not be permitted. The basis on which each worker is being paid is to be provided each such worker in a timely manner via pay stub or similar documentation.

5. Humane Treatment. There will be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor will there be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

6. Non-Discrimination. Supplier will be committed to a workforce free of harassment and unlawful discrimination. Supplier will not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers will not be subjected to medical tests that could be used in a discriminatory way.

7. Freedom of Association. Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers will be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment.

B. HEALTH and SAFETY

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education is essential to identifying and solving health and safety issues in the workplace.

The health and safety requirements for Suppliers are:

1. Occupational Safety. Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) will be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, workers will be trained and provided with appropriate, well-maintained, personal protective equipment. Workers will not be disciplined for raising safety concerns.

2. Emergency Preparedness. Potential emergency situations and events will be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including:

emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

3. Occupational Injury and Illness. Procedures and systems will be in place to prevent, manage, track and report occupational injury and illness, including provisions to: encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of workers to work.

4. Industrial Hygiene. Worker exposure to chemical, biological and physical agents will be identified, evaluated and controlled. Engineering or administrative controls will be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health will be protected by appropriate personal protective equipment programs.

5. Physically Demanding Work. Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks will be identified, evaluated and controlled.

6. Machine Safeguarding. Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers will be provided and properly maintained where machinery presents an injury hazard to workers.

7. Sanitation, Food, and Housing. Workers will be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by Supplier or a labor agent will be maintained to be clean and safe, and provided with appropriate emergency egress and fire protection/suppression, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.

C. ENVIRONMENTAL

Suppliers recognize that environmental responsibility is integral to producing world class products. In Supplier's operations, adverse (and potentially adverse) effects on the community, environment and natural resources will be minimized while safeguarding the health and safety of the public.

The environmental requirements for Suppliers are:

1. Environmental Permits and Reporting. All required environmental permits (e.g. discharge monitoring), approvals and registrations will be obtained, maintained and kept current and their operational and reporting requirements will be followed.

2. Pollution Prevention and Resource Reduction. Waste of all types, including water and energy, will be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, and recycling and reusing materials.

3. Hazardous Substances. Chemicals and other materials posing a hazard if released to the environment will be identified and managed to ensure their safe handling, movement, storage, use, recycling and reuse, and disposal.

4. Wastewater and Solid Waste. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities will be characterized, monitored, controlled and treated as required prior to discharge or disposal.

5. Air Emissions. Air emissions of volatile organic chemicals, aerosols, corrosives, particulates and combustion by-products generated from operations will be characterized, monitored, controlled and treated as required prior to discharge.

6. Product Content Restrictions. Supplier will adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

D. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents will uphold the highest standards of ethics including:

The ethics requirements for Suppliers are:

1. Business Integrity. The highest standards of integrity will be upheld in all business interactions. Supplier will have a zero tolerance policy that prohibits any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings will be transparently performed and accurately reflected on Supplier's business books and records. Monitoring and enforcement procedures will be implemented by Supplier to ensure conformance with anti-corruption laws.

2. No Improper Advantage. Bribes or other means of obtaining undue or improper advantage will not be offered or accepted.

3. Disclosure of Information. Information regarding business activities, structure, financial situation and performance will be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records, or misrepresentation of conditions or practices in the supply chain are prohibited.

4. Intellectual Property. Intellectual property rights will be respected. Transfer of technology and know-how will be done in a manner that protects intellectual property rights and in accordance with the most stringent information protection requirements under the applicable agreements between FSI and Supplier.

5. Fair Business, Advertising and Competition. Standards of fair business, advertising and competition will be upheld. Appropriate means to safeguard customer information will be available and utilized in accordance with the most stringent information protection requirements under the applicable agreements between FSI and Supplier.

6. Protection of Identity. Programs that ensure the confidentiality and protection of supplier and employee whistleblowers will be maintained.

7. Responsible Sourcing of Minerals. FSI intends to demonstrate compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act's (Dodd-Frank) provisions and corresponding enabling regulations regarding conflict minerals, as defined therein, including regulations promulgated by the Securities Exchange Commission. To support such compliance, supplier will exercise all due diligence required by Dodd-Frank to enable accurate reporting on the source and chain of custody of conflict minerals. Supplier will make its due diligence measures available in the format specified by FSI and will respond to the request for compliance information in a timely manner. Supplier will have a policy to assure compliance with this section and to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country.

8. Privacy. Supplier commits to protecting the reasonable privacy expectations of personal information of everyone they do business with, including its suppliers, customers, consumers and employees. Supplier will comply with privacy and information security laws and regulatory requirements if personal information is collected, stored, processed, transmitted and shared and will comply with the most stringent information protection requirements under the applicable agreements between FSI and Supplier.

9. Non-Retaliation. Supplier will have a communicated process for its personnel to be able to raise any concerns without fear of retaliation.

E. MANAGEMENT SYSTEM

Supplier will adopt or establish a management system that supports the content of this Supplier Code of Conduct. The management system will be designed to ensure: (a) conformance with applicable laws, and regulations related to the Supplier's operations and products; (b) conformance with this Supplier Code of Conduct; (c) identification and mitigation of operational risks related to this Supplier Code of Conduct; and (d) continual improvement is facilitated.

Supplier's management system will contain the following elements:

1. Company Commitment. A corporate social and environmental responsibility policy statement affirming Supplier's commitment to conformance and continual improvement, endorsed by executive management.

2. Management Accountability and Responsibility. Identification and communication of the company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews of the status of the management system on a regular basis.

3. Legal and Customer Requirements. A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Supplier Code of Conduct.

4. Risk Assessment and Risk Management. A process to identify the environmental, health, safety, labor practices and ethics risks associated with Supplier's operations and a method for determining the relative significance of each risk and the appropriate procedural and physical controls for the identified risks to ensure regulatory conformance.

5. Improvement Objectives. Written performance objectives, targets and implementation plans to improve the Supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.

6. Training. Programs for training managers and workers to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

7. Communication. A process for communicating clear and accurate information about Supplier's policies, practices, expectations and performance to its suppliers, workers and customers.

8. Worker Feedback and Participation. Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Supplier Code of Conduct and to foster continuous improvement.

9. Audits and Assessments. Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Supplier Code of Conduct and customer contractual requirements related to social and environmental responsibility.

10. Corrective Action Process. A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

11. Documentation and Records. Creation and maintenance of documents and records to ensure regulatory conformance, conformity to company requirements, and evidence to demonstrate conformance with this Supplier Code of Conduct, along with appropriate confidentiality to protect privacy.

12. Supplier Responsibility. A process to communicate Supplier Code of Conduct requirements to its suppliers and to monitor supplier conformance to the Supplier Code of Conduct.