Corporate and Social Responsibilities Policy

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Smith and Co. principles have been established to ensure safe working conditions throughout the company, ensuring that workers are treated with respect and dignity, that business operations are environmentally sound, and that business is conducted in accordance with internationally recognized principles for business ethics.

These principles are not only important for Smith and Co., but also for our supply chain. We take a partnership approach to suppliers to pursue these principles. Consequently, we will seek continuous improvement for the Company and on the part of suppliers within the areas covered by these principles. If suppliers fail to comply with the standards in their principles, our general policy is to encourage improvement, not to terminate the contract.

1. National Legislation:

In all activities, we operate in full compliance with the legislation, rules, and regulations of the United States. Where the provisions of applicable local laws and the federal regulations address the same subject, and they are not in conflict, the highest standard shall be applied. Where any of the requirements in the federal regulation conflict with the applicable local legislation in the sense that it would represent a breach of applicable local legislation if the federal regulations were applied, the highest standards that are consistent with applicable local legislation shall be applied.

Suppliers of Smith and Co. shall follow these same principles for the country in which they operate.

2. Human Rights:

Smith and Co. supports and respects the protection of the United Nationals Universal Declaration of Human Rights and any other internationally proclaimed human rights to ensure that they are not implicit in human rights abuse.

Suppliers of Smith and Co. shall follow these same principles.

3. Labor Rights:

Smith and Co. upholds the highest level of human rights of workers and treat them with the utmost dignity understood by the national community. We comply with all regulations as outlined by the Department of Labor for acceptable labor conditions and those outlined by the Department of State for human rights and labor conditions.

The requirements are:

a) Freely Chosen Employment
Smith and Co. only utilize workforce that have knowingly and willingly accepted employment with our Workers are free to leave at any point upon proper notice.

Suppliers of Smith and Co. shall not use forced, bonded, or indentured labor or involuntary prison labor. All work will be voluntary, and workers shall be free to leave upon notice.

b) Child Labor Avoidance
Smith and Co. require that all employees must be 18 years or older.

Suppliers of Smith and Co. shall not use child labor where the term "child" refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is highest. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers. Where young workers are subject to compulsory education laws, they may work only outside of school hours. In cases where child labor occurs, companies shall develop programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child.

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c) Working Hours

Smith and Co.'s normal work week does not on a regular basis exceed 60 hours per week, including overtime. Smith and Co. employees will be allowed a minimum of at least one day off per seven-day week. All required overtime work will be communicated in advance and punitive action will not come upon those employees unable to work overtime when making efforts to support the needs of the company and the customers. When possible, overtime will be on a voluntary basis.

Suppliers of Smith and Co. shall not exceed the maximum work hours per week set by local law. Further, a normal work week should not on a regular basis exceed 60 hours per week, including overtime. When possible, all overtime work should be voluntary, other than situations where the company is party to a collective bargaining agreement freely negotiated with labor organizations representing a significant portion of its workforce. At that time, the company may require overtime work in accordance with such an agreement to meet short-term business demands. Workers shall be permitted to be off at least one day per seven-day week.

d) Wages and Benefits

Smith and Co. complies with all wage and compensation regulations as defined by the Department of Labor. As part of that requirement, all Smith and Co. employees' rate of pay will meet and/or exceed the legal minimum wage requirement. Also, all hourly employees will receive overtime pay (1.5x regular rate of pay) for any hours worked more than 40 hours per week. Deductions from wages will not be taken as a disciplinary measure. Smith and Co. employees will receive paystubs to document the basis on which they are paid.

Suppliers of Smith and Co. shall pay wages for a normal work week that always meet at least legal and industry minimum standards and shall be sufficient to meet the basic needs of personnel and to provide some discretionary income. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages shall not be permitted as a disciplinary measure. The basis on which workers are paid is to be specified in a timely manner via paystub or similar documentation.

e) Humane Treatment

Smith and Co.'s employee handbook is used to outline disciplinary actions. The company does not tolerate harsh or inhumane treatment, including but not limited to sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse; nor will there be a threat of any such treatment. We will maintain a work environment supportive of teamwork and collaborative environment. Employees will be expected to treat each other in a respectful, professional manner.

Suppliers of Smith and Co. shall follow these same principles and communicate clearly defined disciplinary policies and procedures to their employees.

f) Non-discrimination

Smith and Co. is an equal opportunity employer. We do not engage in discrimination based on gender, race, religion, sexual orientation, color, age, ethnicity, disability, pregnancy, political affiliation, union membership, or marital status when hiring or in conjunction with employment practices such as promotions, rewards, and access to training. In addition, our companies' employees or potential employees are not subjected to medical testing that could be used in a discriminatory way.

Suppliers of Smith and Co. shall follow these same principles.

g) Freedom of Association

Smith and Co. employees are encouraged to communicate openly with management regarding working conditions. The company respects the rights of workers to associate freely, to join or not to join labor unions, to seek representation, and to join workers' councils in accordance with local legislation.

Suppliers of Smith and Co. shall respect the rights of workers to associate freely, to join or not to join labor unions, to seek representation, join workers' councils in accordance with local legislation. Where the right to freedom of association and collective bargaining are restricted under national legislation, the supplier

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shall allow workers to freely elect their own representative. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

h) Psychological Wellness

Smith and Co. maintain an environment to support psychological wellness. Smith and Co. management takes mental health and potential burnout into consideration when planning resources. In addition, Smith and Co. employees are encouraged to communicate openly with management regarding their psychological wellness, stress levels, potential burnout, and work life balance. Our management will maintain an open-door policy, putting Smith and Co.'s employees' metal health and physical health as top priorities.

Suppliers of Smith and Co. shall respect the needs of workers to maintain psychological wellness. Suppliers will implement programs to support mental health and prevent burnout through.

4. Health and Safety:

Smith and Co. uphold high standards regarding health and safety practices. We are proactive in preventing and correcting health and safety issues.

Suppliers of Smith and Co. shall follow these same principles.

a) Occupational Safety

Smith and Co. operates within Occupational Health and Safety Administration (OSHA) guidelines. Worker exposure to potential safety hazards will be minimized through proper design, engineering, and administrative controls, preventative maintenance, and safe work procedures as well as ongoing safety training. Our employees are encouraged to raise safety concerns. Proper personal protection equipment is provided for all hazards that cannot be adequately controlled.

Smith and Co. will also maintain a work environment conducive to productive work and product quality. This includes, but it is not limited to temperature-controlled facilities, lighting in work area by OSHA standards, proper air flow in all work areas, monitoring of noise level and availability of ear PPE when needed.

Suppliers of Smith and Co. shall follow these same principles to proactively minimize and control safety hazards.

b) Emergency Preparedness

Smith and Co. has emergency plans and response procedures, including emergency reporting, employee notification, and evacuation procedures. Smith and Co. will also conduct worker training and drills. We have extinguishing equipment available, adequate exit facilities and recovery plans.

Suppliers of Smith and Co. shall follow these same principles to proactively prepare for emergency situations.

c) Occupational Injury and Illness

Smith and Co. reports occupational injury and illness per OSHA guidelines. Smith and Co. uses these reports to assist in preventing, managing, and tracking occupational injury and illness.

Suppliers of Smith and Co. shall have procedures and systems in place to prevent, manage, track, and report occupational injury and illness including provisions to encourage workers to report, classify and record injury and illness cases, provide necessary medical treatment, investigate cases, and implement corrective actions to eliminate their causes, and to help workers return to work as soon as possible.

d) Sanitation, Food and Housing

Smith and Co. provides a clean and sanitary work environment. Employees will have access to clean toilet facilities, water fit for human consumption and sanitary food preparation, storage and eating facilities.

Suppliers of Smith and Co. shall provide workers with ready access to clean toilet facilities, water fit for human consumption and sanitary food preparation, storage and eating facilities. If worker dormitories are provided, they shall be kept clean and safe and provided with appropriate emergency exits, hot water for bathing or

showering, and adequate heat and ventilation, as well as reasonable personal space along with reasonable entry and exit privileges.

5. The Environment:

Smith and Co. minimizes the adverse effects on the community, environment, and natural resources due to our manufacturing operations while safeguarding the health and safety of the public and our workers.

Suppliers of Smith and Co. shall follow these same principles.

a) Pollution Prevention and Resource Reduction

Smith and Co. incorporates metal and coolant recycling through third-party service providers to properly handle the reuse, recovery or reprocessing in an effort minimize pollution and landfill waste. Smith and Co. has standardized coolant to enable better and higher cycles to ensure longer term utilization of the coolant for maximizing swap out cycles. We utilize conservation methods such as energy efficient lighting with motion activated controls, power saving settings on electronics, etc. Waste of all types will be reduced and/or eliminated where possible.

Suppliers of Smith and Co. shall reduce or eliminate waste of all types, including wastewater and energy optimization through modification of production, maintenance and facility processes, materials substitution, conservation and the recycling and reuse of materials.

b) Hazardous Substances

Smith and Co. properly labels and manages all chemicals and other materials that pose a hazard if released to the environment. Safety data sheets (SDSs) are maintained for reference of how to store, clean, and dispose of hazardous substances.

Suppliers of Smith and Co. shall identify and manage chemical and other materials that pose a hazard if released to the environment to ensure their safe handling, movement, storage, use, recycling, and disposal.

c) Wastewater and Solid Waste

Smith and Co. does not release any wastewater or solid waste into the environment. Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled, and treated as required to properly discharge. We utilize third party Contractors and Suppliers to handle this.

Suppliers of Smith and Co. shall follow the same principles.

d) Air Emissions

Smith and Co. creates optimal inside working environment to reduce exposure using and high efficiency particulate and mist filtration on our machining centers. Smith and Co. does not discharge air emissions into the environment.

Suppliers of Smith and Co. shall follow the same principles.

e) Greenhouse Gases (GHG)

Smith and Co. does not incorporate processes that generate Greenhouse Gases.

Suppliers of Smith and Co. shall perform initiatives to minimize their creation or discharge and to be compliant with State and Federal Statute.

f) Water

Smith and Co. utilizes municipal water supply within its processes to include incorporation of municipal sewage.

Suppliers of Smith and Co. in areas vulnerable to scarcity of freshwater are expected to seek ways to measure and disclose the use of freshwater. Plans should be established for how to reduce freshwater use in

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operations.

g) Environmentally Friendly Technologies

Smith and Co. chooses environmentally effective technologies in their production processes, as well as seeking to apply environmentally effective components and striving to increase the use of technologies that reduce waste and increase efficiency.

Suppliers of Smith and Co. shall follow the same principles.

h) Environmental Permits and Reporting

Smith and Co. currently does not incorporate processes subject to permitting or reporting requirements.

Suppliers of the company shall obtain and maintain any required environmental permits, approvals, and registration. All operational and reporting requirements will be followed when applicable.

6. Anti-Corruption:

a) Business Integrity

Smith and Co. upholds the highest standards of business integrity in all business interactions. We prohibit any forms of corruption, extortion, and embezzlement. Monitoring and enforcement shall be implemented to ensure compliance.

Suppliers of Smith and Co. shall follow the same principles.

b) No Improper Advantage

Smith and Co. does not accept bribes as a means of obtaining undue or improper advantage. Smith and Co. does not offer bribes or other means of obtaining undue or improper advantage.

Suppliers of Smith and Co. shall follow the same principles.

7. Other Ethical Business Practices:

a) Disclosure of Information

Smith and Co. discloses in accordance with application regulations and prevailing industry practices information regarding business activities, structure, financial situation, and performance.

Suppliers of Smith and Co. shall follow the same principles.

b) Intellectual Property

Smith and Co. respects intellectual property rights. The transfer of technology and know-how shall be done in a manner that protects intellectual property rights.

Suppliers of Smith and Co. shall follow the same principles.

c) Fair Trading, Advertising and Competition

Smith and Co. upholds standards of fair trading and advertising. Smith and Co. safeguards customer information in this way.

Suppliers of Smith and Co. shall follow the same principles.

d) Protection of Identity

Smith and Co. ensures the confidentiality and protection of anyone raising concerns (suppliers, employees, etc.)

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Suppliers of Smith and Co. shall follow the same principles.

e) Money Laundering

Smith and Co. is opposed to all forms of money laundering and will take steps to prevent its financial transactions from being used by others to launder money.

Suppliers of Smith and Co. shall follow the same principles.

f) Defense Industry Disclosure

Smith and Co. maintains full transparency regarding defense articles, bearing in mind we are part of the value chain in the defense industry.

Suppliers of Smith and Co., involved with components for military products, shall follow this principle.

8. Implementation:

a) Management Systems

Smith and Co. uses this manual along with its Quality Manual to drive the quality management system (QMS). The QMS ensures compliance with applicable legislation and regulations, conformance with these principles, as well as identification and mitigation of operational risks related to these principles. The QMS also facilitates continuous improvement.

Suppliers of Smith and Co. are expected to adopt or establish a QMS related to the content of these principles. The QMS shall be designed to ensure compliance with applicable legislation and regulations, conformance with these principles and identification and mitigation of operational risks related to these principles. It should also facilitate continuous improvement.

b) Responsibilities

Smith and Co. has designated the COO to ensure compliance with these principles.

Suppliers of Smith and Co. shall follow the same principle.

c) Right of Access

Smith and Co. gives personnel of customers, customers of customers, or consultants of customers unlimited access to any part of the premises where work under the contract is being performed in the event of an announced or unannounced audit.

Suppliers of Smith and Co. shall provide the same access to its personnel, Smith and Co. customers, and any consultants where work under the contract is being performed.

d) Records

Smith and Co. maintains appropriate records to demonstrate conformance with the requirements of these principles and retains the records per contractual requirement.

Suppliers of Smith and Co. shall follow the same principle.

e) Communication of the Principles

Smith and Co. communicates the requirements of these principles to all workers, suppliers, or subcontractors engaged in their supply chain. Smith and Co. takes steps to ensure their suppliers and subcontractors comply with the requirements of these principles Additionally, Smith and Co. provides means for employees to report on or discuss non-compliance confidentially.

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