

Supplier's Code of Conduct

Corporate responsibility is the key to SCD.USA and Quantum Imaging's long-term success.

Our company is committed to promoting its core values in respect of human and personal rights, labor, environmental and anti-corruption practices.

SCD.USA and QI are determined to ensure the highest standards of responsibility throughout its activity and operations, including its supply chain.

Wherever suppliers are located, all business shall be conducted in a manner compatible with this Supplier's Code of Conduct. Suppliers are also expected to flow down these principles through their own supply chain.

General Disclaimer

This Supplier's Code of Conduct is in no way intended to conflict with or modify the terms and conditions of any existing contract. Unless otherwise stated in such contract, in the event of a conflict, suppliers shall adhere to the contract terms.

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I. Compliance with Laws

We require our suppliers to maintain full compliance with all laws and regulations applicable to our business. When conducting international business, or if their primary place of business is outside of the USA, suppliers must comply with the local AND applicable laws and regulations.

Maintain Accurate Records

We expect suppliers to create accurate records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented.

When a record is no longer needed to conduct current business, records should still be retained based on the applicable retention requirements.

II. Human Rights We expect our suppliers to treat people with respect and dignity, encourage diversity, remain receptive to diverse opinions, promote equal opportunity for all, condemn, fight and prevent discrimination of any type and foster an inclusive and ethical culture.

A. Child Labor

We expect our suppliers to ensure that illegal child labor is not used in the performance of work. The term “child” refers to any person under the minimum legal age for employment where the work is performed.

B. Human Trafficking

Suppliers must adhere to regulations prohibiting human trafficking and comply with all applicable local laws in which they operate. Suppliers must refrain from violating the rights of others and address any adverse human rights impacts of their operations. Suppliers must educate employees on prohibited trafficking activities, discipline employees found to have violated the law or rules and notify the contracting officer of violations and action taken against employees.

Specifically, but not only, suppliers will be prohibited from the following in all contracts:

- Destroying, concealing, or confiscating identity or immigration documents.
- Using misleading or fraudulent tactics in recruiting.
- Failing to interview and protect employees suspected of being trafficking victims.

III. Employment Practices

A. Harassment

We expect our suppliers to ensure that their employees are afforded an employment environment that is free from physical, psychological, and verbal harassment, or other abusive conduct.

B. Non-discrimination

We expect our suppliers to provide equal employment opportunity to employees and applicants for employment, without regard to race, ethnicity, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, genetic information, mental or physical disability, or any other criterion so long as the essential functions of the job can be competently performed with or without reasonable accommodation.

C. Substance Abuse

We expect our suppliers to maintain a workplace free from illegal use, possession, sale, or distribution of controlled substances.

D. Wage and Benefits

Suppliers must pay workers at least the minimum compensation required by local law and provide all legally mandated benefits. In addition to payment for regular hours of work, workers must be paid for overtime at such premium rate as is legally required. Deduction from wages as a disciplinary measure should not be permitted.

E. Free Association

You are expected to respect the rights of workers to associate freely and communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal. You are also expected to recognize and respect any rights of workers to exercise lawful rights of free association with any labor association of their choosing.

IV. Anti-Corruption

A. Anti-Corruption Laws

Our suppliers must comply with the anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, and responsible to comply with any and all

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applicable laws of any applicable jurisdiction related to fulfillment of its obligations to SCD.USA and QI. Without derogating from the generality of the foregoing, our suppliers including their employees and agents, hereby warrant and undertake that they have not and will not, directly or indirectly, make or promise to make any payment or provide any benefit or advantage in violation of (i) the U.S. Foreign Corrupt Practices Act, (ii) the UK Bribery Act, as well as any equivalent or applicable legislation in other countries which, amongst others, forbids bribery of public officials and/or foreign public officials, and (iii) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

B. Illegal and Improper Payments or Benefits

Doing business the right way means never providing or receiving anything of value to obtain a business advantage or favorable treatment or exert undue influence, including offering, giving, asking for or taking any form of bribe or kickback. This prohibition extends to payments and gifts of cash or in kind, made directly or through others. You must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives or others. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine actions.

C. Due Diligence

You are expected to exert reasonable due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements and the hiring of intermediaries such as agents or consultants.

D. Gifts/Business Courtesies

We and our Supply Chain must compete solely on the merits of our products and services. You must not try to influence a customer's decision to purchase from us or to otherwise gain an unfair competitive advantage by offering gifts, meals, travel expenses, entertainment or other business courtesies that exceed acceptable levels. Government agencies and companies have regulations prohibiting their employees' acceptance of items of value from contractors or suppliers. In any business relationship, you must ensure that: (i) the offering or receipt of any gift or business courtesy or their relevant extent is permitted by law and regulation, and (ii) these exchanges do not violate the rules and standards of the recipient's organization and are consistent with reasonable marketplace customs and practices. Although standard give-away items of a nominal value may be provided or accepted in appropriate situations, cash and cash equivalents (such as gift cards are) prohibited.

E. Offers of Employment

Offers of employment to employees or representatives of our customers or end users, or their close relatives, could be viewed as an attempt to improperly influence decisions relating to our programs. Therefore, you should exercise caution in hiring activities to avoid the possibility of undue influence.

F. Fraud and Deception

You must not seek to gain any advantage of any kind by acting fraudulently, deceiving people or making false claims, or allow anyone else to do so. This includes defrauding or stealing from the Company, a customer or any third party, and any kind of misappropriation of property.

G. Anti-Trust

Our suppliers must not set pricing or orchestrate bids with their competitors. They must not exchange current, recent, or future pricing information with competitors and must refrain from participating in any form of cartel.

E. Insider Trading

Our suppliers and their personnel must not use material, non-publicly disclosed information obtained during their business relationship with us as the basis for trading or for enabling others to trade in the securities of our company, the Supplier's company or those of any other company.

V. Conflict of Interest

We expect our suppliers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with our company. We expect our suppliers to provide notification to all affected parties if an actual or potential conflict of interest arises. This includes a conflict between the interests of our company and personal interests or those of close relatives, friends or associates.

VI. Information Protection

A. Confidential/Proprietary Information

We expect our suppliers to properly handle sensitive information, including confidential, proprietary, and personal information. Information should not be used for any purpose (e.g., advertisement, publicity) other than the business purpose for which it was provided, unless there is prior written authorization from the owner of the information.

B. Intellectual Property

We expect our suppliers to respect and comply with all the laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks and to avoid and prevent as much as possible any infringement of Intellectual Property rights.

C. Information Security

Suppliers must protect any confidential and proprietary information, whether of itself or of others, including personal information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Suppliers shall assure extension of this requirement to all sub-tier sources they employ including, amongst others, the following:

Proprietary Information includes, amongst others, trade secrets, patents or patent applications, trademarks, copyrights, business, marketing, financial, human resources, technical and administrative information not released to the public. You must safeguard proprietary information of, or provided by, the Company. Proprietary Information cannot be shared with a third party without the Company's express written permission, unless already lawfully and publicly disclosed.

Classified Information includes data and items that for reasons of national security must be safeguarded and maintained in accordance with applicable laws and regulations in support of a government program. To receive this information your facility must possess the appropriate government approved security clearance. It is important to remember that release of classified information to unauthorized persons will harm national security.

D. Privacy Security

Suppliers must explicitly comply at all times with all applicable data privacy laws and regulations and enable and assume all possible measures to assure there is no violation of privacy or unlawful disclosure of private data of any data subject whether an employee, customer, partner or any other private person. Any such violation should be immediately reported to the concerned parties, including the person whose privacy was infringed, and all necessary and required measures taken to limit the damage, amend it as much as possible and assure it will not repeat itself.

VII. Environment, Health, and Safety

A. We expect our suppliers to operate in a manner that actively manages risk, conserves natural resources, and protects the environment. We expect our suppliers to apply the proper environmental management system principles in order to establish a systematic approach to the management of risks/hazards and opportunities associated with the environment, including potential risk from regulatory non-compliance, reputational loss, and opportunities for business growth through operational and product stewardship.

B. We expect our suppliers to comply with all applicable environmental, health and safety laws, regulations, and directives. Suppliers should protect the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

VIII. Global Trade Compliance

A. Security

When applicable, suppliers are encouraged to implement practices and procedures to ensure the security of their supply chains in accordance with the applicable laws and regulations.

B. Import

We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the import of parts, components, and technical data.

C. Export

We expect our suppliers to ensure that their business practices are in accordance with all applicable laws, directives and regulations governing the export of parts, components, and technical data.

D. Anti-Boycott

Our suppliers must not participate in, cooperate with, or further the cause of any unsanctioned foreign economic boycott.

E. Conflict Minerals

Suppliers must comply with applicable laws and regulations regarding Conflict Minerals, which include tin, tungsten, tantalum and gold. Additionally, a policy should be established to reasonably assure that the tin, tungsten, tantalum and gold which may be contained in the products manufacture do not directly or indirectly finance or benefit armed groups that are violators of serious human rights. You should exercise due diligence on the source and chain of custody of these minerals and require the same from your next tier suppliers.

IX. Quality

We expect our suppliers to have in place quality assurance processes to identify defects and implement corrective actions, and to facilitate the delivery of a product whose quality meets or exceeds the contract requirements.

A. Counterfeit Parts

We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. Effective processes should be in place to detect counterfeit parts and materials, provide notification to recipients of counterfeit product(s) when warranted, and exclude them from the delivered product.

X. Ethics Program Expectations

A. Whistleblower Protection

We expect our suppliers to encourage and provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. We expect our suppliers to take action to prevent, detect, and correct any retaliatory actions.

B. Consequences for Violating the Code

In the event of a violation of any of the above expectations, we may pursue corrective action to remedy the situation. In the case of a violation of law or regulation, we may be required to report those violations to proper authorities. We reserve the right to immediately terminate our relationship with any supplier taking in reasonable consideration the terms of the existing procurement/purchasing contract with no further liability to SCD.USA or Quantum Imaging.

C. Ethics Policies

Commensurate to the size and nature of the business, we expect our suppliers to have management systems in place to support compliance with laws, regulations, and the expectations related to or addressed expressly within this Supplier's Code of Conduct.

XI. Right to Audit

We reserve the right to periodically review your business practices to ensure compliance with this Code. You are expected to comply with our reasonable inquiries related to your work for us and cooperate with audits and investigations.