



All employees have an obligation to behave at all times with honesty and propriety not only because this behavior is morally and legally right but because AMERICAN SYSTEMS' business success and reputation for integrity depends on the actions of every employee.



This Code of Business Ethics and Conduct establishes the expected code of business ethics and conduct for all AMERICAN SYSTEMS employees, and facilitates the development and maintenance of controls which aid in the detection and prevention of fraud against AMERICAN SYSTEMS.

PRODUCT QUALITY AND SAFETY

AMERICAN SYSTEMS is committed to producing quality products and services that meet or exceed contractual obligations and AMERICAN SYSTEMS own quality standards. The products and services AMERICAN SYSTEMS delivers must:

- Be made of quality materials;
- Be properly tested;
- Be properly identified as to origin;
- Meet contract specifications;
- Be safe for its normally intended uses and be accompanied by proper instructions, and
- Meet all applicable laws, regulations and industry standards

COMPETING FAIRLY

The antitrust laws are designed to ensure competition and preserve the free enterprise system. They apply to all domestic and some foreign transactions by U.S. businesses. The following actions constitute violations of law and must not be engaged in under any circumstances:

- An agreement with one or more competitors to:
 - Fix prices at any level or other terms and conditions of sale;
 - Allocate customers or markets;
 - Fix levels of production or production quotas, or
 - Boycott a supplier or customer
- Any form of bid rigging
- An agreement with a customer to fix a resale price.

Because the antitrust laws are complex, employees are instructed to take special care in this area. Any questions about the interpretation of the antitrust laws should be referred promptly to an Ethics Committee member.

Contract Negotiation

Employees must be accurate and complete in all representations when negotiating contracts. The submission to a Government customer of a proposal, quotation, or other document or statement that is false, incomplete, or misleading can result in civil and criminal liability for AMERICAN SYSTEMS, the employee involved, and any supervisors who condone or do not report such a practice. When negotiating contracts with the Government, or as a lower tier subcontractor of a Government contract, AMERICAN SYSTEMS has an affirmative duty to disclose current, accurate, and complete cost or pricing data when such data is required under appropriate law or regulation.

No one in AMERICAN SYSTEMS may commit the Company contractually or authorize performance of work for the production of goods or services without prior written approval from the Contracts or Purchasing Departments.

The objective of this policy is to set and communicate the ethical standards and acceptable business conduct while establishing a process to identify and resolve ethical issues for AMERICAN SYSTEMS

MAINTAINING ACCURATE RECORDS

Employees must maintain accurate time sheet records and financial records.

Time Sheet Reporting

Employees must be particularly careful to complete their timesheets in an accurate and timely manner in accordance with SPP 03-201 "Timekeeping & Overtime" and must ensure:

- That hours worked are recorded properly so that costs are applied to the account for which they were, in fact, incurred.
- They sign their own timesheets. The employee signature on a timesheet is representation that the timesheet accurately reflects the number of hours worked on the specified project or job order.

The manager's signature documents that the timesheet has been reviewed and that steps have been taken to verify the validity of the hours reported and the correctness of the allocation of the hours and ensure:

- Employees understand that deviations from appropriate charging practices will not be tolerated.

Financial Records

The records of AMERICAN SYSTEMS are maintained in a manner that provides for an accurate and auditable reflection of all financial transactions in conformity with generally accepted accounting principles. No false or deceptive entries may be made, and all entries must contain an appropriate description of the underlying transaction. All AMERICAN SYSTEMS funds and assets must be retained in the name of the corporation. All reports, vouchers, bills, invoices, payroll and service records, and other essential data must be prepared with care and honesty.

HIRING OF FEDERAL EMPLOYEES

Complex rules govern the recruitment of civilian employees in private industry. Any questions regarding this area should be referred to the Vice President, Contracts & Administration or the Vice President, Human Resources, prior to the recruiting or hiring (as an employee or consultant) of any current or former Government employee.

In addition, it is the policy of AMERICAN SYSTEMS to not hire a relative of any government customer unless the matter has been brought to and approved by the Ethics Committee in advance of any hiring.

• Specially Designated Nationals List (SDN)

As part of its enforcement efforts, the Office of Foreign Asset Control (OFAC) publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDNs." Their assets are blocked and U.S. persons are generally prohibited from dealing with them. It is the policy of AMERICAN SYSTEMS that no foreign individual or company may be engaged to do any business unless they have been verified to not be listed on the Specially Designated Nationals List (SDN) published by the Office of Foreign Asset Control (OFAC).

PROPER USE OF AMERICAN SYSTEMS' RESOURCES

• Providing Business Courtesies to Customers

AMERICAN SYSTEMS' success in the marketplace results from providing superior products and services at competitive prices. AMERICAN SYSTEMS does not seek to gain improper advantage by offering business courtesies such as entertainment, meals, transportation, lodging or other gratuities to its customers. Employees shall never offer any type of business courtesy to a customer for the purpose of obtaining preferential treatment or advantage. In addition, employees shall never offer any type of gift or gratuity to government employees.

In situations such as working meetings, refreshments such as coffee, juice, pastry, or bagels on an occasional basis when not served as a meal, may be provided.

In situations such as working lunches with government employees, the government employees must pay for their own meals or contribute the appropriate amount to a "straight arrow" box if the meal is provided by AMERICAN SYSTEMS.

To avoid even the appearance of impropriety, do not provide any customer with gifts or promotional items (for example, pens or calendars) of more than nominal value.

• Supplier Relationships

When dealing with or making decisions affecting suppliers, employees shall be careful not to inadvertently obligate either themselves or AMERICAN SYSTEMS to a supplier. In conducting business with suppliers, employees are also expected to act fairly and objectively and in the best interests of AMERICAN SYSTEMS.

- **Receipt of Gifts and Entertainment.** Your business decisions for AMERICAN SYSTEMS should be based on your unbiased judgment. Interactions with suppliers, customers, competitors, contractors and consultants should always be in accordance with AMERICAN SYSTEMS' best interests. Therefore, it is not appropriate to ask for gifts and you should not accept gifts or other benefits if doing so could affect your objective business judgment. The receipt of an unsolicited gift or business courtesy, including meals and entertainment, is permissible if the item or offering is: (i) customary and a commonly accepted business courtesy; (ii) not excessively valuable; (iii) given and accepted without an express or implied understanding that you are in any way obligated by your acceptance of the gift; and (iv) not a reward for any particular business decision already made or forthcoming. Gifts of cash or cash equivalents (including gift certificates) of any value must be returned promptly to the donor. Please check with the Corporate Ethics Committee if you have a concern regarding the receipt of a gift.

- **Reimbursement.** Employees may not accept reimbursement from suppliers for travel and hotel expenses, for speaker's fees or honoraria for addresses or papers given before supplier audiences, or for consulting services or advice they may render. Likewise, employees shall not request or accept monetary loans or personal services from suppliers, nor shall they enter contests sponsored by suppliers. Unique situations may arise such as supplier-required training or training to maintain certain certifications; such unique situations should be brought to the attention of the Ethics Committee.

Kickbacks

Federal laws prohibit the offering, soliciting, or accepting of any kickback. A kickback is defined as any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided for the purpose of improperly obtaining or rewarding favorable treatment in connection with a contract with the United States. In addition, the "Anti-Kickback Act of 1986" requires each prime contractor or subcontractor to promptly report violations of the kickback laws to the appropriate Federal agency Inspector General or the Department of Justice if the contractor has reasonable grounds to believe that a violation exists.

• Dealing With Foreign Officials

Do not promise, offer, or make any payments in money, products, or services to any foreign official, either directly or indirectly, in exchange for or to induce favorable business treatment or to affect any government decision.

• Use of Lobbyists

AMERICAN SYSTEMS may determine that lobbyist activities would be helpful to provide information to public officials on matters of importance to the company and/or its customers. The President will provide final approval on the scope and type of the recommended lobbyist activity, as well as the compensation to be paid to the lobbyist.

Lobbyists may be used in activities to include the following:

- Assist in determining the laws and policies to best serve company and/or customer interests and advocate for such interests with the appropriate government officials;
- Research and analyze legislation or regulatory proposals and attend any hearings related thereto;
- Work with coalitions interested in the same legislative and regulatory issues, and
- Educate government officials, as well as employees and corporate officers, on the implications of legislative or regulatory changes.

Requests for lobbyist support are to be initiated by a memorandum detailing the scope of the recommended lobbying activity. The memorandum is to be reviewed by the cognizant Executive Vice President, and if approved, forwarded to the President for final approval. Depending on the scope of the lobbyist's activities and the lobbyist's form of business organization, either a formal engagement letter or a purchase order for services between the lobbyist and AMERICAN SYSTEMS may be appropriate. The American League of Lobbyists' Code of Ethics is to be incorporated as part of any engagement letter or consulting agreement.

Funds from the AMERICAN SYSTEMS Political Action Committee are not to be used to pay for lobbyists hired by the company. Amounts paid for lobbying activities shall be deductible by the company only as permitted under the Internal Revenue Code.

Political Activities

AMERICAN SYSTEMS believes strongly in the democratic political process and encourages employees to participate personally on their own time in that process. A corporation's activities, however, are limited significantly by law. For this reason, no political contribution of corporate funds or other assets may be made.

Indirect expenditures on behalf of a candidate or elected official, such as travel or use of telephones and other corporate equipment, may be considered as contributions. Any questions should be referred to the Ethics Committee. In no event may an employee be reimbursed in any manner for political activities.

MAINTAINING YOUR POSITION OF TRUST

Conflicts of Interest

Employees may not have any employment, consulting, or other business relationship with a competitor, customer, or supplier of AMERICAN SYSTEMS, or invest in any competitor, customer, or supplier (except for moderate holdings of publicly-traded securities) unless the employee has the advance written permission of the Ethics Committee.

Outside employment may also constitute a conflict of interest if it places an employee in the position of appearing to represent AMERICAN SYSTEMS, involves providing goods or services substantially similar to those AMERICAN SYSTEMS provides, or lessens the efficiency, alertness, or productivity normally expected of employees on their jobs. All outside employment that raises any question in this regard must be approved in advance by the employee's immediate supervisor and the Ethics Committee.

RESTRICTED AMERICAN SYSTEMS INFORMATION

All employees must be aware that while they are employed by AMERICAN SYSTEMS they will have access to, be provided with, learn, and, in some cases, may prepare and create for AMERICAN SYSTEMS certain proprietary and confidential business information and trade secrets, including, but not limited to client and customer information and client lists, all of which materials are of substantial value to AMERICAN SYSTEMS in the conduct of its business.

No employee may disclose, use, or cause to be used by any third party, except as specifically authorized by AMERICAN SYSTEMS using established policy and procedures, any non-public business, financial, personnel or technological information, plans, or data that has been acquired during employment at AMERICAN SYSTEMS. No employee may copy, take, or retain documents containing restricted information when his or her employment is terminated; all such material, including any copy or copies of such material that the employee may have made and including all other AMERICAN SYSTEMS property, whether confidential or not, must be returned to AMERICAN SYSTEMS either before or immediately upon the employee's termination of employment.

No employee, while employed by AMERICAN SYSTEMS or at any time thereafter, except as may be required in performance of the employee's duties, may use or otherwise disclose for the employee's own benefit, or for the benefit of any third party, the employee's knowledge of or any other information concerning AMERICAN SYSTEMS' internal organization, business structure, or the work assignments or capabilities of any AMERICAN SYSTEMS officer or any other employee without AMERICAN SYSTEMS' express prior written consent.

This prohibition against disclosing restricted information extends indefinitely beyond the period of employment. All employees agree to protect the confidentiality of restricted information in perpetuity as a condition of employment at AMERICAN SYSTEMS.

GOVERNMENT CLASSIFIED & PROPRIETARY INFORMATION

All employees have special obligations to comply with the laws and regulations that protect classified information. Employees with valid security clearances who have access to classified information must ensure that the information is handled in accordance with pertinent Federal procedures. These restrictions apply to any form of information, whether in written or electronic form.

FRAUD PRACTICES

Definition of Fraud

Fraud encompasses a range of irregularities and illegal acts characterized by intentional deception or misrepresentation, which an individual knows to be false or does not believe to be true. Fraud is perpetrated by a person knowing that it could result in some unauthorized benefit to him or her, to AMERICAN SYSTEMS or to another person and can be perpetrated by persons outside and inside of AMERICAN SYSTEMS.

Fraud Risk Assessment

- At least annually, the Chief Executive Officer (CEO), his direct reports and Internal Audit will complete a fraud risk assessment, taking into account potential fraud risks and identifying existing or mitigating programs and controls.
- The CEO develops fraud prevention and detection goals and annually assesses AMERICAN SYSTEMS' performance against these benchmarks.
- The CEO presents the results of the fraud risk assessment and assessment of performance against fraud prevention and detection goals to the Board of Directors.
- The Board of Directors reviews the fraud risk assessment and achievement of fraud prevention and detection goals and may provide feedback.
- The CEO responds to any Board of Directors feedback.

Actions Constituting Fraud

- Any dishonest act;
- Forgery or alteration of any document or account belonging to the company;
- Forgery or alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Disclosing non public information to outside parties;
- Disclosing to other persons securities activities engaged in or contemplated by the company;
- Destruction, removal, or inappropriate use of records, furniture, fixtures and equipment, and
- Any similar or related inappropriate conduct.

Suspected Fraud

Any fraud that is detected or suspected must be reported immediately to their line manager, any member of the Ethics Committee or the AMERICAN SYSTEMS Hot-line. The Chairman of the Ethics Committee has investigative responsibilities, coordinates all investigations with appropriate Legal Counsel, Internal Audit, and other appropriate areas or parties. All confirmed fraud will be reported to the Board of Directors.

Any investigative activity will be conducted without regard to the suspected wrongdoer's length of service, position, title, or relationship to AMERICAN SYSTEMS.

Fraud Prevention and Detection Goals

- No material fraud occurs due to the improper execution of controls or lack of adherence to the Code of Business Ethics Conduct, and Fraud Prevention and Detection policy;
- Known instance of fraud is detected timely;
- The fraud response process is commenced in a timely manner after the identification or suspicion of potential fraud;
- Communication from the Ethics Committee regarding fraud, including reminders of the existence of confidential hotlines for reporting potential fraud, is sent to all employees, contractors, and directors; and
- Training addressing key fraud prevention and detection procedures occurs at least annually for each employee involved in creating, either directly or indirectly, or reviewing financial transactions.

Concerns?

- Talk to your Line Manager
- Contact the Ethics Committee
- Call AMERICAN SYSTEMS' Ethics Hotline

