1. POLICY

It is the policy of BAE Systems (the "Company") that all Inc. Businesses be equal opportunity employers and comply with all applicable federal, state and local anti-discrimination laws, orders, directives and regulations. As U.S. Government federal contractors, Inc. Businesses are required to maintain affirmative action programs in compliance with Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, as amended, and Section 402 of the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended.

Inc. Businesses administer all employment decisions on a nondiscriminatory basis without regard to an applicant’s or employee’s race, color, religion, sex, gender, national origin, ancestry, age, status as a qualified individual with a disability, genetic information, pregnancy status, medical condition, marital status, sexual orientation, status as a U.S. veteran, gender identity and expression, or any other characteristic protected by applicable federal, state, or local law. In addition, Inc. Businesses prohibit Harassment on the basis of these protected characteristics. This Policy extends to all terms, conditions, and privileges of employment including but not limited to: job advertisement; recruitment and hiring; promotion; demotion; transfers; layoff and termination; compensation; benefits; education and training; reasonable accommodation due to disability or religion; work assignments; social and recreational programs, and other working conditions.

All employees are responsible, in accordance with this Policy and the BAE Systems Code of Conduct, for promoting a work environment that is free of discrimination and Harassment, supports diversity and inclusion, and encourages dignity and respect for others. Inc. Businesses do not tolerate discrimination or Harassment by any employee. Overall responsibility for the establishment and enforcement of this Policy is vested with the President and Chief Executive Officer of BAE Systems, Inc.
2. PURPOSE AND SCOPE

The purpose of this Policy is to identify and define the Company's policy regarding Equal Employment Opportunity and Affirmative Action. This Policy can be changed at any time by BAE Systems, Inc. in its sole discretion. It is neither intended to, nor does it create, any contractual relationship between an employee and an Inc. Business. Once printed or duplicated this Policy is not a controlled document. The most up-to-date version of the policy exists in electronic form on the Corporate Policy web site.

3. DEFINITIONS

3.1 **Color** means an individual's pigmentation, complexion, or skin shade or tone. This could include lightness or darkness of the skin and discrimination based on color can occur between persons of different races or ethnicities, or between persons of the same race or ethnicity.

3.2 **Gender Expression** means any or all of the external characteristics and behaviors that are socially defined as either masculine or feminine, such as dress, grooming, mannerisms, speech patterns, and social interactions, whether or not stereotypically associated with the person's designated sex at birth.

3.3 **Gender Identity** means a person's innate, deeply felt psychological identification as male or female, which may or may not correspond to the person's body or designated sex at birth.

3.4 **Harassment** means unwelcome conduct that intimidates, threatens, or coerces a person based on employee's race, color, religion, sex, gender, national origin, ancestry, age, status as a qualified individual with a disability, genetic information, pregnancy status, medical condition, marital status, sexual orientation, status as a U.S. veteran, gender identity and expression, or any other characteristic protected by applicable federal, state, or local law that: (1) has the purpose or effect of creating an intimidating, hostile, or offensive work environment; (2) has the purpose or effect of unreasonably interfering with an individual's work performance; or (3) otherwise adversely affects an individual's employment opportunities.

3.5 **Inc. Businesses** means BAE Systems, Inc. and its owned and/or managed businesses. For purposes of this Policy, this term shall refer to Inc. Businesses located in the United States, unless otherwise specified.

3.6 **National Origin** means the place of origin of an individual or his or her ancestors, or because an individual has the physical, cultural, or linguistic characteristics of a national origin group.

3.7 **Qualified Individual with a Disability** means an individual with a physical or mental impairment that substantially limits one or more aspects of the individual's
major life activities, and who, with or without reasonable accommodation, can perform the essential functions of a position that the individual holds or has applied for. This definition includes individuals who have a record of such impairment or who are regarded as having such impairment.

3.8 Race means belonging to or being perceived as belonging to a particular grouping of persons related by common ancestry or heredity. Discrimination based on race generally encompasses discrimination due to a person’s racial or ethnic ancestry; physical characteristics such as a person’s color, hair, facial features, height and weight; race-linked illnesses such as sickle cell anemia; and cultural characteristics such as a person’s name, cultural dress and grooming practices, or accent or manner of speech.

3.9 Religion means an individual’s beliefs, observances, or practices concerning the ultimate ideas about life, purpose, and death, as well as the morals or standards of belief as to what is right and wrong that are held with the strength of traditional religious views.

3.10 Sexual Harassment means unwelcome or unwanted conduct of a sexual nature that: (1) creates an intimidating, hostile or offensive work environment; (2) influences or tends to affect the individual’s career, compensation, working conditions, responsibilities, duties, or other aspects of the employment relationship; or (3) creates an explicit or implicit term or condition of an individual’s employment (e.g., where an employee’s submission or rejection of this conduct affects decisions regarding hiring, evaluation, promotion, or some other aspects of employment). This includes gender-based Harassment of a person of the same or opposite gender. The victim can be anyone affected by the conduct, not just the individual at whom the offensive conduct is directed.

3.11 Sexual Orientation means having or being perceived as having an orientation toward heterosexuality, bisexuality, or homosexuality.

3.12 Veteran Status means a classification of past U.S. Military service, which may include discharge status and protected veteran status under applicable nondiscrimination and affirmative action provisions (i.e., disabled veteran, recently separated veteran, active duty wartime or campaign badge veteran, an Armed Forces service medal veteran, or any other veteran status protected by applicable law).

4. APPLICABILITY

This Policy applies to all Inc. Businesses. Employees of Inc. Businesses who are U.S. citizens and work in a foreign country are specifically covered by this Policy (unless application of this Policy would violate the law of the foreign country in which the workplace is located). Subject to the above exception, non-United States-based businesses should follow local in-country laws and policies. This Policy applies to each
Inc. Business and its employment relationship with its employees; nothing in this Policy creates a co-employment relationship between an employee and any other Inc. Business.

For those employees subject to a collective bargaining agreement (CBA), if there is a conflict between this Policy and the applicable CBA, the CBA will govern with the exception of those provisions mandated by law.

Inc. Businesses will communicate the requirements of this Policy to outside firms responsible for providing temporary workers and employment candidates to the Inc. Businesses. This Policy also applies to contractors, vendors, and non-employees while performing work for or on behalf of Inc. Businesses. The policy applies to any Harassment that occurs during employment or application for employment regardless of whether it occurs on the premises of an Inc. Business workplace or at a work-related setting, such as business trips, customer sites, or Company social events and functions.

5. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION PRACTICES

5.1 The Company is committed to equal employment opportunity, which means that all applicants and employees have access to employment and advancement opportunities on the basis of qualifications, performance, and other job-related factors, without regard to their membership in a protected class. To this end, the Company is committed to taking reasonable steps to prevent unlawful discrimination from occurring.

5.2 The Company is committed to providing a reasonable accommodation to employees and applicants for employment in order to assure that individuals with disabilities enjoy full access to equal employment opportunity. Inc. Businesses will engage in an interactive dialogue with employees who request reasonable accommodations due to their disability. Inc. Businesses shall provide a reasonable accommodation to such employee and/or applicant unless the accommodation would result in an undue hardship to the employer.\(^1\) The applicable Inc. Business is responsible for determining the most appropriate accommodations to be made, if any.

5.3 The Company also is committed to providing reasonable accommodations to employees and applicants due to their religion. Inc. Businesses will engage in an interactive dialogue with employees who request reasonable accommodations because of their religious beliefs. Inc. Businesses shall provide a reasonable accommodation to such employee and/or applicant unless the accommodation

\(^1\) For example, if a pregnant employee requests an accommodation for a disability caused or contributed to by the pregnancy, the employer is to explore reasonable accommodations, including leave, with the pregnant employee, and will endeavor to provide a reasonable accommodation unless doing so would impose an undue hardship on the employer. In determining undue hardship, consideration is given to the employer’s size, financial resources, and the needs of the business.
would result in an undue hardship to the employer.\textsuperscript{2} The applicable Inc. Business is responsible for determining the most appropriate accommodations to be made, if any.

5.4 Inc. Businesses shall not refuse to hire or terminate an individual because of his or her citizenship or because of the individual's national origin. Further, in verifying or re-verifying an individual's eligibility to work in the United States (e.g., through the E-Verify process and form I-9), Inc. Businesses shall not treat an employee or candidate for employment differently because of his or her citizenship or national origin. Notwithstanding any of the foregoing, when required or permitted by applicable law, regulation, or other U.S. Government directive (e.g., to meet ITAR compliance or security clearance requirements), Inc. Businesses shall conduct a separate and discrete review of any existing employee's or new hire candidate's eligibility to meet such position requirements, including where applicable his or her citizenship or national origin. Failure to meet such eligibility requirements may preclude an individual from being hired or in the case of an existing employee, may result in reassignment or termination.

5.5 The Company will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is: (a) in response to a formal complaint or charge; (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the Company; or (c) consistent with the Company's legal duty to furnish information. 41 CFR 60-1.35(c)

5.6 The Company is committed to complying with its affirmative action obligations, as required by applicable law, including by taking positive actions and making good-faith efforts to ensure equal employment opportunities without regard to race, color, religion, sex, national origin, disability or status as a protected veteran. The Company's commitment to affirmative action in this regard does not require or permit any quota systems.

5.7 Implementation of this Policy, including the development and management of the Inc. Businesses' affirmative action programs, shall be the responsibility of the Inc. SVP - Human Resources & Administration (or designee).

\textsuperscript{2} In determining undue hardship, consideration is given to the employer's size, financial resources, and the needs of the business.
6. **HARASSMENT**

6.1 Any type of Harassment or Sexual Harassment, whether engaged in by fellow employees, supervisors, or non-employees with whom an employee or applicant comes into contact during the course of employment (e.g., customers, vendors, suppliers, etc.) or application for employment, is contrary to this Policy and will not be tolerated.

6.2 Examples of harassing conduct that violate this Policy and will not be tolerated include, but are not limited to:

a. Verbal or physical contact related to a person’s protected class (e.g., epithets, belittling jokes, slurs or negative stereotyping)

b. Threatening, intimidating, or hostile acts that relate to a person’s protected class

c. Display or circulation in the workplace of written or graphic material that demeans or shows hostility or aversion toward an individual or group because of their protected class

d. "Jokes," "pranks" or other forms of "humor" that are demeaning and/or hostile with regard to a person’s protected class

6.3 Examples of Sexual Harassment that violate this Policy and will not be tolerated include, but are not limited to:

a. Unwanted sexual advances, including sexual flirting and propositions

b. Direct or implied requests for sexual favors

c. Verbal, nonverbal, or written communications of a sexual nature (such as sexual innuendo and language); suggestive or lewd comments; comments about an individual’s dress or physical appearance; gestures; leering; sexually oriented jokes or teasing; or using sexually degrading words to describe an individual

d. Display of visual objects, images, pictures, or printed matter of a sexual nature, such as sexually suggestive or pornographic pictures, videos, cartoons or posters

e. Unwanted physical contact or conduct of any kind, including touching, patting, pinching, purposefully brushing against, assaulting, impeding, or blocking movements
6.4 Harassment and Sexual Harassment includes any of the above types of behaviors initiated using electronic media, including but not limited to blogs, text messages, e-mails, social networking, message boards, and/or instant messaging. Further, statements or actions need not be intended to be offensive to be in violation of this Policy.

7. PERSONAL RELATIONSHIPS IN THE WORKPLACE

Personal relationships, such as dating, romantic, or sexual, between employees in the workplace must be carefully managed to ensure the effective operation of the workplace. The following considerations apply:

7.1 The relationships must not create an uncomfortable work environment for others.

7.2 Neither of the employees may have a direct supervisory, disciplinary, or evaluative responsibility with respect to the other employee.

7.3 Any employee with potential control or influence over the terms and conditions of employment for someone they are romantically or sexually involved with must disclose this relationship to Human Resources and/or their management chain immediately. Failure to do so is a serious violation.

7.4 Any employee who has been involved in a romantic or sexual relationship with another employee and who believes that he or she has been adversely affected by such a relationship, notwithstanding its disclosure, must make his or her views about the matter known to management and/or Human Resources.

7.5 This Policy shall apply without regard to gender and without regard to the sexual orientations of the participants in a relationship described above.

8. REPORTING AND RESPONDING TO CONCERNS

8.1 Any individual who experiences or witnesses what he or she perceives to be discrimination or Harassment in violation of this Policy is required to immediately report the alleged act to one or more of the following:

a. His/her immediate supervisor, supervisor's manager, or any member of management;

b. A Human Resources Department representative; and/or

c. A business conduct (ethics) officer or the BAE Systems, Inc. Ethics Helpline.
8.2 If the alleged perpetrator is the employee's supervisor, the employee should direct his or her complaint to any Human Resources Department representative or business conduct (ethics) officer. Human Resources Department employees with personal concerns regarding Harassment or discrimination should report those concerns to the BAE Systems, Inc. Ethics Helpline, or to line management.

8.3 To the extent practicable, the investigation will be conducted in a manner so as to protect the confidentiality of all individuals involved. In certain cases, the Inc. Business may be able to address and remedy concerns without revealing who brought the complaint. In other situations, however, it may be necessary to disclose the complainant's identity to fully investigate the matter or allow the accused to respond to the allegations against him or her.

8.4 All allegations of Harassment or discrimination will be promptly reviewed by the Human Resources Department, and if necessary, an investigation will be conducted in a prompt, thorough, and impartial manner. If the preliminary inquiry indicates that any applicable laws and/or regulations may have been violated, then the investigator shall promptly consult the cognizant Legal Department office, and the matter must be reported to the cognizant Sector Chief Counsel and the Sector VP, Human Resources.

8.4.1 Any allegation involving an employee Global Grade 16 or above must be reported immediately to the Inc. SVP & General Counsel and the Inc. SVP, Human Resources & Administration, who will jointly determine the appropriate investigator(s) and investigation process.

8.4.2 All settlements / separation agreements (or similar form of claim resolutions) involving allegations of Sexual Harassment or misconduct (whether with the claimant or the accused) shall be approved in advance by the Inc. SVP & General Counsel and the Inc. SVP, Human Resources & Administration.

8.5 The appropriate Inc. Business shall take corrective action, up to and including termination, against any employee violating this Policy. Corrective action shall be applied consistently across the Company to the extent practicable under the circumstances.

8.6 Anyone who files a complaint pursuant to this Policy in which he or she knowingly makes false allegations of fact shall be in violation of this Policy, and may be subject to corrective action, up to and including termination of employment.
9. RETALIATION

9.1 The Company strictly prohibits any form of retaliation (e.g., Harassment, intimidation, threats, coercion, discrimination, etc.) by an Inc. Business against an applicant or employee who in good faith makes or files a complaint; raises a concern; opposes any unlawful act or practice; provides information, or otherwise assists in an investigation, compliance evaluation, hearing, other proceeding or any other activity; regarding any conduct that he or she has a reasonable objective belief to be in violation of the Code of Conduct, Company policies, or as a protected right by applicable laws, rules or regulations.

9.2 No Inc. Business may engage in any retaliation against an applicant or employee even if his or her complaints are proven unfounded by an investigation, unless the applicant or employee knowingly made a false allegation, provided false or misleading information in the course of an investigation, or otherwise acted in bad faith. Applicants and employees have an obligation to participate in good faith in any internal investigation of retaliation.

9.3 Any applicant or employee who believes he or she has been retaliated against must report such belief to any of the individuals listed in Section 8.1 immediately. Inc. Businesses shall take all complaints of retaliation very seriously. All such complaints will be reviewed promptly and, where appropriate, investigated. Anyone found to have intentionally engaged in retaliation shall be subjected to immediate corrective action, up to and including termination of employment.

10. RESPONSIBILITIES

10.1 All managers and supervisors are responsible for:

   a. Immediately informing their local Human Resources representative of any observations or complaints of discrimination or Harassment;

   b. Ensuring that their employees are aware that discrimination and Harassment, in any form, is prohibited, and that any perceived incidents of discrimination or Harassment are to be reported immediately; and

   c. Informing employees that any reported discrimination or Harassment will be promptly investigated and appropriate disciplinary action will be taken, up to and including termination of employment.

10.2 Human Resources is responsible for leading investigations (where appropriate) and ensuring that complaints are thoroughly resolved.
11. REFERENCES

Appendix A: New York State Addendum

EEO is the Law
EEO is the Law Supplement

12. EXCEPTIONS

BAE Systems, Inc. has the sole and exclusive authority to interpret each policy.

Exceptions to this Policy require the prior written approval of the President & CEO of BAE Systems, Inc. and the Inc. SVP, Human Resources & Administration.